

A Work Project presented as part of the requirements for the Award of a Master Degree in
Management and Finance from the NOVA - School of Business and Economics.

**How can Bank X create value for new companies and thereby
contribute to the entrepreneurship ecosystem in Portugal?**

- Entrepreneurship & Innovation Field Lab -

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Living Innovation Lab

The following thesis was written with the aim of documenting the work developed in the Bank X Living Innovation Lab. The Living Innovation Lab is conducted as a partnership between Nova SBE and one of the biggest retail banks in Portugal, Bank X. The aim of such partnership is to enhance innovation in the bank and come up with potential solutions to challenges faced by them, through co-creation between Nova students and Bank X's executives. The project was led by a team of three students and two Bank X executives, who, between the 11th September 2018 and the 12th December 2018, applied entrepreneurial methodologies through innovation processes with the objective of developing, validating and proposing a new concept and business model that Bank X could implement in the future. As agreed with Bank X, the new concept should address the segment of new companies. The Living Innovation Lab further concluded that new companies and entrepreneurship were intrinsically related, since there is an entrepreneur behind every new company.

The elaboration of the present thesis was, nonetheless, of the entire responsibility of the students, being each of them assigned the Expert and Supporter roles (Heloísa Dias- Expert in the Front-End of Innovation and supporter of the Back-End of Innovation; Valentin Debouche- Expert in Recommendations and supporter of the Back-End of Innovation; and Rui Roldão- Expert in the Back-End of Innovation and a supporter of Recommendations). The team was advised by Prof. Miguel Muñoz Duarte, Teresa Moana Mannebach and Bank X's executives, and also had the support from collaborators of the Venture Lab. Due to confidentiality concerns, the bank's name is withheld and referred to as Bank X. The bank's executives' and Venture Lab employees' names were also replaced by the initial letter of their last names.

As of 14th January 2019, the results of the Work Project will be presented to the Board of Executives at Bank X.

Abstract

As Portugal emerges as an **entrepreneurship** hub in Europe, an ecosystem is arising around this phenomenon. However, a traditional and conservative approach has kept some of the largest and most powerful entities in the country out of this **innovation** ecosystem – Retail banks. This thesis presents the development of a new concept that aims to attract **newly created companies** to a major Portuguese bank without increasing its exposure to risk. This can be done by connecting entrepreneurs to the unique **network** of a bank, and in this way, have fewer entrepreneurs lacking **confidence** when trying to launch their own business.

Keywords: Entrepreneurship, Innovation, Customer Discovery, Network.

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1. General Overview

1.1 Introduction and challenges

Amidst a digital revolution, Portugal has been rising as an entrepreneurship hub in Europe (Ruivo, 2018), which has attracted a growing number of entrepreneurs to the country.

The entrepreneurship ecosystem in Portugal is fostered mainly by two of the factors that, according to Isenberg (2011), are necessary to build an entrepreneurship ecosystem: 1) “institutional and governmental support” and 2) “human capital”. The first thanks to policies from the government, such as the Start-up voucher and the establishment of events as the Web Summit in Lisbon. The latter due to the abundance of skilled labour at low costs, in relation to other European countries (Ruivo, 2018)

Nonetheless, other domains are important to favour an entrepreneurship ecosystem, such as financial capital to support new businesses. The banking industry in Portugal has, however, stayed out of this landscape, as Bank X, one of the largest banks in the country, admits. This implies that entrepreneurship – a relevant part of the economy – is being rather neglected by some of the most powerful entities in the country. Which, consequently, represents less support for new companies and less business opportunities for banks.

As a matter of fact, approaching the segment of new companies and SME’s could represent for retail banking in Portugal, an opportunity to reinvent the business model and overcome challenges brought by digital disruption and subsequent regulations (Chew et al, 2018). For instance, new competitors, as tech-savvy Fintechs, are expected to take advantage of new technologies such as Artificial Intelligence (AI) and blockchain to give consumers access to funds and answers in a way that is faster, more personalized and cheaper than banks ever did. Furthermore, new regulations are imposing a level of transparency that is unfamiliar to banks. For example, the Payment Services Directive (PSD2), opens the door to these data to any Third-

Party Provider (TPP), and the General Data Protection Regulation (GDPR) sets the grounds on data consent and compliance about data security. This challenges one of the banks' main competitive advantages: the possession of clients' bank data.

Nonetheless, banks do have resources and capabilities that distinguish them from other players and which could be of use to new companies if a more customer-centric approach was adopted. They not only have high capacity to respond to financial needs, but also a lot of trained human resources available in different locations to help customers individually. However, there are characteristics associated with banking that are antagonistic to the agile and innovative behaviour typically associated with entrepreneurs (Card, 2016). Particularly, risk aversion of banks pulls away new companies. Banks require demonstration of track record and financial stability to provide funding, such as loans. And this is hard for new companies to present, as they do not yet have a history. On the other hand, for being highly regulated institutions, banks involve a lot of bureaucracy. This makes the processes not friendly for new companies which are usually run by only few people who are already overloaded with unfamiliar tasks related to the planning of the business.

In a challenging moment for the retail banking industry, coinciding with the rise of entrepreneurship in Portugal, Bank X realized that creating a relationship with new companies was more opportune and relevant than ever. Therefore, it proposed a challenge that set the question for which an answer will be provided in this thesis: *“How can Bank X add value for new companies and thereby contribute to the entrepreneurship ecosystem in Portugal?”*.

1.2 Aims and objectives

The overall aim of this thesis is to design and validate a new concept for Bank X that is able to create value for new companies, thereby, entrepreneurs. This new concept should answer to the needs of the new companies, while preserving the values and strengths of Bank X. In order to reach the aim, the following objectives have been defined: 1) Analysing the situation and

detecting a need worth solving, 2) Exploiting that opportunity by designing and validating a new concept and 3) Creating a valid action plan for Bank X to implement the proposed concept.

1.3 Theoretical Background and Literature Review

This part of the thesis presents all the literature and derived theories used to conduct the team's researches, analyses, and conclusions. The review of the literature and theoretical background will be segmented into three parts: 1) The Front-End of Innovation; 2) The Back-End of Innovation; and 3) The Recommendations.

1.3.1. Front-End of Innovation

The front-end of innovation (FEI) encompasses the early stages that happen between problem identification and creation of a concept as a solution to this problem. The first moment of the FEI would be the pre-work done to understand the market and opportunities, as well as generate ideas, followed by a moment of "scoping" when there is done an elementary assessment of the marketing and technical virtues of the project.

Given its nature, the FEI requires more creativity and divergent thinking than other stages of innovation. Even though it may come across as unstructured (Eschberger, 2018), it is a crucial component of the innovation process, as it ultimately defines which innovation possibilities can be considered for the following phases of development and commercialization (Koen, Bertels, Kleinschmidt, 2014).

In the development of this project, the methodologies used in the Front End of Innovation were the GV Design Sprint and Value Proposition Canvas, both of which inspired by the Lean Start-Up Model. These are briefly described in the following sections of the thesis.

1.3.1.1 Lean Start-Up Model

Throughout this project, the work methods were inspired by the Lean Start-Up Method, first developed by Eric Ries (2011). In fact, the Living Innovation Lab is suitable for the application

of this method as it fits well into Ries' definition of a start-up: a group of people “designed to create a new product or service under conditions of uncertainty”.

Lean thinking describes value as delivering benefits to the customer. Under this motto, Ries states that the goal of a start-up is to figure out what “customers want and will pay for, as quickly as possible”, by focusing on “fast iteration and customer insight”, guided by great vision and ambition (2011). From here the “Five Principles of Lean Start-Up” can be derived:

Table 1: Five Principles of Lean Start-Up

Five Principles of Lean Start-Up	
1. "Entrepreneurs are everywhere"	Entrepreneurs are considered anyone who works for a start-up, as described in the above-mentioned definition, regardless of company size or industry.
2. "Entrepreneurship is management"	To manage any company that depends on innovation should be considered entrepreneurship.
3. "Validated Learning"	Learning should be validated scientifically with empirical data obtained from actual customers. This validated learning should be a start-up's unit of progress.
4. "Build-Measure-Learn"	To build products from ideas, to “measure how customers respond and then learn whether to pivot or persevere”. This constitutes a feedback loop that should be the “fundamental activity of a start-up”.
5. "Innovation Accounting"	To hold people accountable by focusing on “how to measure progress, how to set up milestones and how to prioritize work”

Source: (Ries, 2011)

The core process behind the Lean Start-Up innovation process is, thus, the “Build-Measure-Learn” feedback loop. This starts by turning ideas into Minimum Viable Products (MVPs), which is a “version of a new product which allows a team to collect the maximum amount of validated learning with the least effort” (Ries, 2009).

Then, predictions regarding what is supposed to happen are made and turned into hypotheses, which will be proved or disproved with customers' feedback. Data regarding customers' feedback is measured to provide learnings that will be incorporated in a following adaptation of the product, which will go again through the same cycle. The faster a start-up can go through this loop, the faster it will improve and be able to create a product that customers want and will use, thus, generating more value.

1.3.1.2. Value Proposition Canvas

In 2014, Alexander Osterwalder and his team wrote the “Value Proposition Design”, showing how to apply the Value Proposition Canvas in order to design value propositions aligned with what customers want and will create value for them. The Value Proposition Canvas is, in fact a zoom into the Customer Segment and Value Proposition blocks of the Business Model Canvas (BMC), a methodology described in the section dedicated to the Back-End of Innovation.

Even though the development of Value Proposition is done in depth in the Back End of Innovation, Osterwalder’s methodology should be applied in the search phase, when potential customers are being identified.

The Value Proposition Canvas is split into two maps: Customer Profile and Value Map. The purpose of the first is to clarify the understanding about the customer, while the latter describes how the value is intended to be created (appendix 1). Since it relies on iterative search, The Value Proposition Canvas is a dynamic tool to be constantly updated with customers’ feedback. The first step is to build the Customer Profile, by observing customer segments and collecting a set of characteristics they have. These characteristics are then divided into Jobs, Pains and Gains (table 2), describing different customer segments in a more structured and detailed way (Osterwalder et al, 2014).

Table 2: Customer Profile Description

Jobs	A customer job could be the tasks they are trying to perform and complete, the problems they are trying to solve, or the needs they are trying to satisfy.
Pains	The pains could be undesired outcomes, obstacles or risks related to trying to get a job done
Gains	Gains describe the outcomes and benefits customers want. Some gains are required, expected, or desired by customers, and some would surprise them. Gains include functional utility, social gains, positive emotions, and cost savings.

Source: Osterwalder, et al (2014)

It is important that jobs, pains and gains are prioritized by order of relevance for the customer.

After creating different Customer Profiles, Value Propositions can be formed for each of them.

The Value Map then describes the features of a certain value proposition in the BMC with more structure and detail. It breaks down the value proposition into Products and Services, Pain Relievers and Gain Creators (table 3), which can be tested in the market.

Table 3: Value Map Description

Products and Services	The bundle of products and services (tangible, intangible, digital or financial) that help the customers complete either functional, social, or emotional jobs or helps them satisfy basic needs.
Pain Relievers	They tell how to eliminate or reduce some of the things that annoy the customers before, during, or after they are trying to complete a job or that prevent them from doing so
Gain Creators	They outline how to produce outcomes and benefits that the customer expects by, including functional utility, social gains, positive emotions, and cost savings

Source: Osterwalder, et al (2014)

When the products and services produce pain relievers and gain creators that match one or more of the jobs, pains and gains, there is a fit between the Value Map and the Customer Profile. And if this fit happens, it means there is Problem-Solution fit and customers will, in principle, get excited about the value proposition.

1.3.1.3. GV Design Sprint Methodology

In line with the Lean Start-up Methodology, is the Design Sprint, a five-days process developed in 2016 by Knapp, Zeratsky and Kowitz at Google Ventures with the aim of speeding the learning process and getting answers for crucial business questions. The main tasks for the week are Mapping, Sketching, Deciding, Prototyping and Testing.

Details about the process can be found in Table 4.

Table 4: The five-day process of a Sprint.

Weekday	Tasks
Monday: “Mapping Day”	Day to set expectations and get a deep understanding about the problem at stake. After agreeing on a long-term goal, the team should map the challenge. In the afternoon, experts are invited to share their knowledge on the topic, with the aim of improving the map and picking a “target” – “an ambitious but manageable piece of the problem” to be solved in one week.

Tuesday: “Sketching Day”	The focus of this day is to find the solution for the problem explored on Monday. The day starts by reviewing existing ideas to remix and improve. In the afternoon, the team should sketch solutions through a process that emphasizes critical thinking over artistry. Meanwhile, the team should start to plan the testing day.
Wednesday: “Decision day”	The goal of this day is to decide on a solution to be prototyped. As such, the first task is to critique each of the solutions proposed on Tuesday and then decide which ones have the best chance of achieving the long-term goal. In the afternoon, the winning scenes from the sketches will be weaved into a storyboard.
Thursday: “Prototyping day”	The team will turn the storyboard into a prototype by adopting a “fake it” philosophy. Meaning the prototype will just be a “façade” to get feedback from customers.
Friday: “Testing day”	The goal is to get feedback on the concept by interviewing customers and analyzing their reaction to the prototype. This feedback will allow for improvements as well as setting the motto for the steps to take next.

Source: Zeratsky. 2016

During the Design Sprint, one person takes the role of Sprint Master, overseeing the event and team, identifying the challenges to be solved and inviting the “right talent”, in order to have team members with complementary skills (table 5).

Table 5: Team members and functions of a Sprint.

Team Member	Function
Decider	A person that makes the decisions for the team
Finance expert	A person that explains where the money comes from and where it goes.
Marketing expert	A person that crafts the company’s messages.
Customer Expert	A person that regularly talks to customers one-on-one.
Tech/logistics expert	A person that best understands what the company can build and deliver.
Design Expert	A person that designs the products the company makes.
Troublemaker	A smart person who has strong, contrary opinions, and whom the team might be slightly uncomfortable with including in the Sprint.

Source: Knapp, Zeratsky and Kowitz. 2016

1.3.2. Back End of Innovation

The “Messy” back-end of innovation is the side of innovation in which the ideas generated with the front-end of innovation are tested and implemented (Ternier, 2011). The final goal is to ensure that the already validated concept is well accepted by the existing market and it creates

value for both the customers and the company (Graber, n.d.). There are many tools that explore how to transform the initial ideas into actual businesses, and for that, two methodologies will be used: The Business Model Canvas (BMC) and the Customer Development Process (CDP). Having a business model in order to validate the market fit of the product is key, as forty percent of start-ups have cited that the main reason for their failure is to not have met a real market need (Statista, n.d.). This is the reason why it is key for a business to know what customers care for before building actual product.

1.3.2.1. Business Model Canvas

The BMC is a strategic management framework created by Alexander Osterwalder and Yves Pigneur in 2010, consisting on “ a shared language for **describing, visualizing, assessing, and changing** business models” (Osterwalder and Pigneur, 2010). The model is divided into nine different blocks (table 6).

Table 6: Business Model Canvas

Key Partnerships It answers who are the key suppliers and partners that make the business model functioning.	Key Activities It answers the most important needed to make the business model work, and where to be an expert in.	Value Proposition It is about helping customers getting their job done, thus, about the benefits customers will derive from your products/services.	Customer Relationships Its main function is to understand how to acquire, retain grow customers.	Customer Segments The goal is to build a Persona using geographic, social and demographic factors and all findings from the Customer Profile.
	Key Resources It answers the most important assets required to operate a business model.		Channels It is about how the product gets to the customer, thus, about the distribution channel	
Cost Structure This represents all the required costs to obtain the already defined Key Partnerships, Key Activities and Key Resources.			Revenue Stream This block involves understanding the type of revenue stream, the revenue model strategy and the pricing tactics, in order to obtain cash from the CS	

Source: Osterwalder and Pigneur 2010

This model is well known for its simplicity and combination of all factors needed to validate a business concept (Osterwalder and Pigneur, 2010). This model is also the most efficient way to understand who the customers are (Stone, 2017).

The most important side of the business model is the connection between the value proposition and the customer segment, as it is the heart of the BMC. On one hand, the BMC helps to create value for the business (Osterwalder et al, 2014). On the other hand, the Value Proposition Canvas, already explained before in the Front-End of innovation, generates value for the customers (Osterwalder et al, 2014). The other seven blocks are then later key factors to develop a business model that is scalable and profitable (Osterwalder et al, 2014).

1.3.2.1. Customer Development Process

The CDP is a method brought by Steve Blank in the mid 1990s, being in the origin of the lean start-up movement that came later. The goal of this methodology is to provide a process that guides the entrepreneurs in their search for a scalable business model. The BMC is a tool that complements the CDP, as it provides a way to obtain the initial hypotheses (Osterwalder et al, 2014). The process is divided into two phases and four steps (table 7). The two phases are the search phase and the execution phase (Blank, 2007). The search phase is then divided into two steps: customer discovery and customer validation (Blank, 2007). The execution phase is separated into the steps: customer creation and company building (Blank, 2007).

Table 7: Customer Development Process

Phase	Steps	Explanation
Search	Customer Discovery Goal: Problem-Solution fit	With the customer discovery , the goal is to find a solution that could satisfy the needs of the segments, in order to have problem-solution fit for the business. The customer-discovery is divided into four phases.
		1) State the Hypotheses The goal is to have hypotheses for the nine blocks of the BMC.
		2) Test the Problem Testing the problem hypotheses with the chosen customer profiles, by building, measuring and learning from the insights gathered.
		3) Test the Solution The goal is to test, measure and try to validate the products or services provided.

		4) Pivot / Proceed The plan is to measure again the results in order to see if there is a minimum value proposition (MVP) that is validated, or if there is a need to pivoting.
	Customer Validation Goal: Product-Market fit	With the customer validation , the main objective is to test if the business model and the final solution is scalable and has a market to sell. This will be needed in order to achieve product-market fit and business-Model fit . After this being done, the model can proceed to the actual execution of the product. The customer-validation is divided into four phases.
		1) “Get ready to sell” The main goal is to come up with a plan to sell the product into the market
		2) “Get out of the building” This consist on the actual selling of the product to a sample of the future customers. This phase is key to the CDP, as it allows to measure and predict the future impact of the pre-defined plan to sell in the market
		3) Positioning of the product and the company related to the market
		4) Verify validation of value proposition and business model
Execution	Customer Creation Goal: Business-Model fit	The goal is to have a specific market type and a set of first year objectives for the company.
	Company Building	The objective is to transform into an actual organization, with its own mission, mainstream customers and functional departments.

Source: Blank (2007) & Osterwalder,et al (2014)

The “Build-Measure-Learn” feedback loop (table 7) explained above as a part of the Front-End of Innovation, has also an important role on the CDP. This circle is used to design hypotheses, measure the performance of the tests made and gather insights from the overall results (Osterwalder et al, 2014). The mechanism normally used to run the lean start-up cycle is called validation board, which has in its core: 1) the most important hypotheses; 2) the Minimum Success Criteria (MSC); and 3) the actual results obtained with the experiments made. During the customer-discovery phase, the validation board is used to test the value proposition canvas (Osterwalder et al, 2014). Also, following the customer-validation phase, this validation board can also be complemented with such experiments like a LP (Osterwalder et al, 2014). The main advantage of this methodology is to provide a way to acknowledge the product and services that are essential for the customers and the business and reshape the ones that were not so important for the market (Osterwalder et al, 2014).

1.3.3. Recommendations

The theoretical approach of the recommendations is based on a set of analyses and frameworks that will help the team proposing a roadmap for Bank X to implement a recommended solution as a concept.

The first framework used is the marketing planning **3Ms** initiated by Thomas Watson in 1934 and standing for the three key resources Men, Minute and Money. Men is here used to foresee all the men and women needed for the operations of a firm. In other words, the labour expertise and capabilities that will be required to perform a specific job. Minute represents the different time scale, schedules and deadlines of the action plan. Lastly, Money means the budget that will have to be allocated to each specific task to be performed (Watson, 1934).

To determine the impact of solution as a business, the second framework used is the **balanced scorecard**. The scorecard is a performance metric used in strategic management to assess various business decisions. The balanced scorecard was originally developed by Dr. Robert Kaplan (1992) of Harvard University. The framework is meant to add non-financial strategic measures to the mix in order to better focus on long-term success (Kaplan & Norton, 1992). The system has evolved over the years and is now considered a fully integrated strategic management system.

The third framework is the marketing analysis **TAM, SAM & SOM** model. When doing their market sizing, start-ups often refer to these acronyms to assess their investment opportunities. The three acronyms are therefore three subsets of a start-up's market. TAM is the Total Available market and represents the total market demand for a product or service. SAM or Serviceable Available Market is the segment of the total market which is targeted by the products or services within the geographical reach of a start-up. Finally, SOM is the Serviceable Obtainable Market or the portion of the SAM that a start-up is able to capture. The Serviceable Obtainable Market is the short-term target and therefore the one that matters the most to

investors: if a firm cannot succeed on a fraction of the local market, chances are that they will never capture a large part of the global market. For this reason, The SOM and SAM help de-risking the investment while the TAM enables to assess the upside potential of a market entry (Blank & Dorf, 2012).

The fourth and fifth frameworks are the **sensitivity analysis** and the **revenue sales analysis** that were used to determine the financial impact of the recommended solution over its first years of implementation. The sensitivity analysis, first, is a study that determines how independent variable values will impact a particular dependent variable under a given set of assumptions (Saltelli, 2002). In other words, it is a tool that helps decision makers to weight the impact of more than one solution to a problem. The revenue sales analysis, as its name implies, is a study of the revenue from sales that helps decision makers regarding their business strategy (Markgraf, 2011). By comparing revenues from a given period of time (whether past, present or future), managers get an indication on how well a business is performing. In the event of a revenue forecast, a steady increase from year to year lets a management team plan the future strategies with confidence. A decreasing curve however demonstrates that the business needs to make major changes. Uneven increases and decreases would mean that the company will be responding to important market influences and they would need to change their strategy to face these market disruptions (Markgraf, 2011).

1.4. Work Methodology

This project methodology as a whole will be divided into three main stages: 1) the diagnosis stage, consisting of the desk and exploratory situational researches and resulting in an opportunity analysis; 2) the analysis stage, represented by the prototyping phase and the search for a business model; and 3) the recommendations stage, where an action plan for the implementation of the concept will be proposed to Bank X, as well as an impact analysis.

The Work Project started with the research phase. The goal of this phase was to collect insights about the retail banking industry, as well as the needs of the customers, new companies. First, a desk research of the external and internal environment of Bank X was conducted. The team performed an analysis of Bank X as an organization and further developed a deep understanding of the context and the industry players. In this phase, a PESTLE analysis was conducted looking at the factors that would affect the retail banking industry. Secondly, there was the exploratory research, which was done through interviews with five executives at the headquarters of Bank X, and with 17 people in the entrepreneurship ecosystem, a majority being business owners.

The second stage was ideation. The objective of this phase was to identify the best possible solution Bank X could provide to satisfy the customer need with highest potential. This was done in the five days GV Design Sprint, throughout which the team employed design thinking techniques. Later in the Sprint, a prototype was created. The team tested different hypotheses associated with it, by performing individual interviews with four entrepreneurs from the defined customer segment. The next step was to follow-up with the CDP, in which initial hypotheses were developed for each of the nine building blocks of the BMC. The validation of such hypotheses was done making use of Validation Boards.

In the customer discovery phase, the goal was to define and validate four different customer segments and their corresponding needs, to later decide which segment the team should focus on. Experiments in the form of individual interviews and online surveys were performed to test the hypotheses developed in the Validation Board. For these experiments, the team gathered a sample of 107 people, potentially representative of the customer segment, answering the online survey (appendix 8) and 17 customers for the personal interviews.

In order to test a problem-solution fit, the team elaborated four concept boards representing four potential solutions. This was tested through seven interviews to customers. Once two remaining concepts were authenticated and further developed, the team collected feedback from 10

customers, in order to finally come up with one unique solution, which would best solve the need of the customer segment with the highest potential.

In the following two weeks, the project entered the customer validation phase, in which the objective was to test the existence of product-market fit with the chose concept. Furthermore, there was the objective of pre-validating revenue streams and customer acquisition channels.

To validate the concept, the team developed a website and monitored its traffic. Data from Google Analytics was used to validate hypotheses about users' perception of the concept. To improve the conclusions from this analysis, and have qualitative feedback, four customers were interviewed. The channels used and tested for customer acquisition were direct referrals and Google Ads.

In order to test the revenue streams, the team conducted an A/B/C Testing with an online survey, where the changing variable was price. The three surveys were directly sent to an equal amount of people, selected from the pool of past interviewees. Out of this, 10 answers were collected.

The final stage presented the team's recommendations on how Bank X could implement the validated concept. The first part of the suggestions is represented by the action plan, where the team proposes a one-year roadmap following the validation of the solution. Regarding the action plan, the 3Ms -Money, Minute & Men- framework was used to deliver the recommended process. To better understand the impact of the solution on Bank X, a market analysis was made using the TAM, SAM and SOM framework. The team further made use of a sensitivity analysis and a what-if analysis in order to establish the profitability and sustainability of the business to be implemented. Additionally, there were forecasted the revenues on a 5-years period, using a revenue sales analysis.

Lastly, further recommendations, that are out of the scope of the project have been elaborated to give insights for future research. Overall, a summary of the work project methodology can be found in Table 8.

Table 8: Summary of methodologies used

Stages	Objectives	Method/Tools	Main Activities
Diagnosis			
Situation	Analyse Current Situation	PESTLE Analysis, Harvey Balls Rating	Desk Research and Exploratory Research with Bank X experts
Opportunity	Detect an opportunity to exploit	TOWS Analysis	Exploratory Research, with the customer segment
Analysis			
Front End of Innovation	Create a solution to a problem of the customer segment, in a form of a new concept.	Value Proposition Canvas, GV Design Sprint Methodology	Use of design thinking techniques and interviews to customers
Back-End of innovation	Turn the new concept into a valid business opportunity	Customer Development Process; Business Model Canvas; Validation Board	Personal Interviews, A/B testing, Online Surveys
Recommendations			
Action Plan	Create a roadmap for Bank X to implement the recommended concept	3Ms: Money, Minutes, Men	Desk research, Insights from Bank X
Impact	Measure the potential impact for Bank X and its users by implementing the recommended concept	Scorecard Analysis TAM, SAM & SOM What-If Analysis Sensitivity Analysis Revenue Sales Analysis	Desk research, Insights from Bank X

Source: team own analysis

2. Diagnosis

2.1 Situation analysis

To section of the report will be used to present a thorough analysis of Bank X external and internal environments and will therefore be separated between the inside and outside settings. On the external side, the team first explored the context and trends surrounding the research, highlighting the key factors that will lead to significant threats and opportunities. The current market demand was further developed within the targeted segment of new companies. Last, the overall competition of Bank X has been decomposed into the different industry players.

On the internal side, the bank as an organization is then investigated, highlighting the current offering as well as the unique resources and capabilities.

At the end of each section of the analysis, intermediary conclusions have been drawn to better identify the opportunities from the external and internal components.

2.1.2 External Analysis

To fully understand the context in which Bank X operates, the team has performed an analysis of the trends and challenges impacting Bank X and its environment.

As an industry with a heavy focus on technology, it is key to acknowledge that changes will happen rapidly and frequently to disrupt the banking system as it is.

2.1.2.1 Context and Trends

For the context and trends the team decided to use the PESTLE analysis to come up with 11 important factors (appendix 2) that could turn out to be opportunities or threats.

Political & Legal

Factor # 1. Start-up Voucher: The start-up Portugal + program consist of 25 initiatives made by the government focused on three phases: 1) supporting the national ecosystem; 2) attracting more investment; 3) expansion of the start-ups to the international market (Start-up Portugal, n.d). From all of the 25 projects, the one that has gathered more interest from the entrepreneurs is the Start-up Voucher, that had 200 requests of information to IAPMEI in only 5 days after being announced (IAPMEI a ,2018). The voucher gives entrepreneurs monthly funding, mentorship and technical assistance in their first year (IAPMEI b ,2018). Furthermore, Start-up Portugal launched Momentum program that works with graduates to help them develop their business ideas – monthly funding, free working space and incubation are part of the one-year support program (Start-up Momentum, 2018).

Factor # 2. PSD2 Regulation: From January 2018, the Financial Services will have to adapt and respond to the emerge of a new regulation to the industry-The Payment Services Directive

(PSD2). In general, the directive is announcing that from now on, the banks must provide Application Programming Interfaces (APIs) to third-party providers (TPP) to have access to the bank's customers data (Evry, n.d.). Portugal has yet to adapt to these changes (Autoridade da Concorrência, 2018), and the consequences highly depend on how the banks decide to react to this new directive (Evry, n.d.). According to Mr. F, Bank X receives a lot of money from being a payment service provider, so more competition on this area could turn out to be a significant threat for their revenue stream. Furthermore, according to the interview made to Mr. F, Bank X is not building any tailored product based on the data they have on their individual and organizational clients.

Factor #3. Bureaucracies when launching a business as Sole Proprietorship in Portugal:

There are four main advantages of opening a business as Sole Proprietorship, “Empresa em Nome Individual” (ENI): 1) the control of the business 2) the simplicity to create and terminate the company; 3) the lower tax costs; 4) the fact that there is no minimum capital requirement to start the business (RTP, 2018). On the other hand, there are two main issues related to this regime: 1) the non-separation between the individual and business wealth; and 2) the fact that the new company must be launched without a co-founder, so there is more risk and work for the individual (RTP, n.d.). Nowadays, banks are less willing to lend money to these individuals (RTP, n.d.), specially banks known for risk aversion, as is the case of Bank X. From the interview made with Mr. R, it was found that the Bank X would be much more willing to lend money to new companies if they had any kind of partnership before launching. **Social**

Factor #7 Portugal's Entrepreneur-led Economic Turnaround: The country currently has one of the most animated start-up ecosystems in Europe, being the perfect environment to launch a business, test, fail and try again (Egusa, 2017). The authorities have put in place different benefits to entice entrepreneurs from all over the world. Recently, at the 2016 Web Summit, the government disclosed a €200 million fund to co-invest alongside VCs in start-ups and

foreign companies that relocate to the country. Portugal announced a ‘start-up visa’ at the start of this year, urging foreign entrepreneurs to come and set up shop with the promise of a resident visa (Egusa, 2017).

Factor #8. Change in workforce: increase of freelancers. According to the report Global Human Capital Trends (Deloitte A, 2018), one of the most significant changes predicted for the workforce in the foreseeable future, is the increase in the proportion of freelancers and gig workers. This can be associated to different factors, being the main ones a “changing attitude towards work” combined with new technologies and infrastructures that can better accommodate this type of workers. On the other hand, hiring freelancers also represents a lower cost for companies, versus hiring full time employees (Muhammed, Abdullahi. 2018). Even though this trend has shown more evidence in North America and Northern Europe, it is likely to reach Portugal and force the country to adapt to this new culture (Mateus, Cátia. 2017). Growing the demand for freelancers, the magnitude of the challenges faced by this segment is expected to grow as well.

Technological

Factor #9. The rise of Fintechs is disrupting the banking sector: As an industry with a heavy focus on technology, changes will happen rapidly and frequently in the retail banking sector. With the Fintech revolution being the newest disruptor of choice, the banking industry and its consumers will need to hold on for the ride.

Currently, consumers rely on an outdated financial system that depends on paper and outdated software. It is expensive and completely open to fraud and crime. Blockchain disrupts the current banking system by being a real-time updating digital ledger that cannot be changed. Taking paper and fraud out of the equation (Newman, 2018).

Wire and transfer fees will be decreased by using bitcoin, clearing and settlement can happen instantly, loans and credit applications can be assessed on the spot and consumers will have instant access to the funds they need and the answers they require (Newman, 2018).

Factor #10. Open Banking and the Use of APIs in the financial landscape: Nowadays, customers expect to sign up for new banking services online. In 2018, a failure to provide true digital savviness will start to become an existential threat for banks. Digital banking will continue to reduce the number of bank branches needed. The new challenge for banks is to accurately mix branches and digital offerings to be where and when their client want to bank (Marous, 2017). Open Banking is just around the corner all over Europe, with banks being forced to open up their data through APIs by January 13, 2018 (European Competition & Market Authority, 2018). In Portugal, SIBS, one of the country's most innovative fintech, is already working together with the main banks to create an open API standard (Alves, 2018).

A summary of the conclusions and opportunities identified in the previous analysis can be find on table 9 below:

Table 9: Intermediary conclusions from analysis of context & trends

Intermediary conclusions of analysis of context & trends	
Factors #1 & #7	Portugal has become one of the major entrepreneurship hubs in Europe, with the government working as an important stakeholder in this ecosystem.
Factors #2 & #10	New opportunities are emerging especially to Banks, due to changes in regulating with the PSD2 Regulation. This will bring opportunities like Open Banking, as a way for new companies (TPPs) to build solutions on top of the infrastructure of Bank X.
Factors #3 & #8	The trend that the proportion of freelancers will most likely increase, suggests that ENIs will continue to be a significant part of new companies created in Portugal. Even though the risk of investing in this type of new companies is higher the increasing number of ENIs makes this segment an opportunity.
Factor #9	More players are emerging, and this is a threat for the bank. These new players are more attractive for entrepreneurs due to their willingness to invest on riskier projects in order to obtain higher returns. This allows them to invest in projects in a much faster way than Bank X.

2.1.2.2 Demand

In order to identify patterns and draw conclusions from the field work, the team established 3 main groups within the new companies segment: 1) the main street businesses; 2) the technology-limited start-ups; and 3) the freelancers. Their customer profiles can be found in appendix 3. As their names imply, the groups were assembled by type of business to test if the answers varied upon their different activities.

Main Street Businesses. This segment showed that the biggest pain points in their daily operations were related to bureaucratic and legal aspects. Given that these businesses are based on existing validated business models, there was also a shorter period between their idea generation and the launch of their project, when comparison to the other segments. Another consequence of the reliance on existing business models, is the low barriers to entry for new competitors in this segment. Lastly, the research showed that business owners from this segment have little to no ambition to scale up their activities. Consequently, they mostly did not express a lot of interest in banks as they do not normally look for financing. They believe that the help they need can be provided by trade associations and other conglomerates of professionals.

Tech start-ups. The interviews to entrepreneurs of this segment demonstrated that the customer acquisition and idea validation were the main pleasure points they sought when launching. In general, they needed support and advice as well as a significant level of investment from the early stage of their idea generation. They highly value the network and the majority believes that their needs can be fulfilled by going on the field and finding the right people. Thereupon, it was very important for them to be in a supportive ecosystem in order to reach out for contacts, expertise, mentorship and advice. Nowadays, incubators and accelerators try to bring this support network for start-ups, especially those related to new technologies, given their high potential of success.

Freelancers. The main characteristic identified in this segment is that they heavily rely on a solid network, which is their main channel of customer acquisition. Since they usually work on their own and have unstable revenues, it's often hard for them to conciliate the work on their projects and “back office” tasks, as management of their finances and settlements. The biggest opportunity within this group is that there does not seem to be a consolidated network of freelancers in Portugal.

A summary of the conclusions and opportunities identified in the previous analysis can be found on table 10 below:

Table 10: Intermediary conclusions from analysis of demand

Intermediary conclusions of analysis of demand	
Main street businesses	In terms of stability this seemed an interesting segment. However, they did not demonstrate so many relevant pains.
Tech start-ups	This segment has a lot of potential for success. However, they also have a lot of uncertainty associated. The latter because they need to search for a viable business model. On the other hand, they seem to be receiving a lot of attention from other players in the entrepreneurship ecosystem, like business accelerators and incubators. Given this, tech start-ups did not seem to be an interesting segment for Bank X to focus on.
Freelancers	This segment, in which ENIs can be often included, seemed to be the most overlooked one. As they are, at the same time, individuals and companies, their pains do not seem to be addressed yet by many players. Given this, the segments with highest potential of becoming an opportunity for Bank X were main street businesses and freelancers. With special focus on the latter group, considering also the analysis from factor #8.

2.1.2.3 Industry Players

The fact that new companies are associated with a lot of risk and uncertainty shapes the competitive landscape: players in this industry are differentiated by their approach to risk. In order to avoid the inherent risk of new companies, but still approach the segment, some players offer non-financial products and other type of support to new companies.

Traditional Banks in Portugal. Banks' main advantage is the proximity to customers, due to the network of branches that they usually have. In Portugal, banks' offer to companies is composed by loans and non-transactional products (insights from Bank X experts). However,

in order to provide loans, they are legally required to demand for collaterals, which new companies struggle to present. Even though other institutions provide solutions to help provide these collaterals and get financing, such as Mutual Collaterals System (Sistema de Garantias Mútuas) (Sistema Português de Garantia Mútua, n.d.) - a support mechanism supervised by the Bank of Portugal -, the process to obtain such supports from institutions and government, as well as applying for the loan at the bank, can be long and resource consuming due to the dispersion of information and to the number of documents requested by the entities involved. All of this contributes to the customers' perception that traditional banks are bureaucratic and little transparent (Almeida, 2018). Furthermore, incurring in debt in an initial stage of the business may represent a risk that entrepreneurs are not willing to take.

Given the risk-aversion that characterizes traditional banks, Bank X is especially conservative (Figure 2).

Figure 2: Scale of risk aversion of traditional banks in Portugal.



Source: internal insights from Bank X experts and team own analysis.

When it comes to non-financial services, Bank X is the only bank in Portugal with such offer (insights from Bank X executives), which is not optimized and not targeted specifically to new companies as seen in the internal analysis.

International Banks. Apart from the traditional offer, at an international level, there are banks that have a non-financial offer targeted specifically at new companies. For example, in Belgium, KBC (KBC, 2017) and BNP Paribas Fortis have offered programs to support the launching of new companies, with positive results (BNP Paribas Fortis Annual Report, 2017).

In New Zealand and Australia, ANZ approaches new companies by providing them with tools

and content to help in the process of launching a business. Additionally, the bank has Honcho, a product designed just for new online business, which offers all from the website address to logo design and registration (Honcho, 2018). (Appendix 4)




















Fintechs. In the recent years, the rise of digital financial services, brought new players into the landscape of entrepreneurship financing, namely crowdfunding and peer-to-peer (P2P) lending platforms, where capital can be raised from a large number of individuals. These platforms plead speed and transparency, as well as low (if any) transaction costs. Kickstarter and PPL, crowdfunding platforms, appeal to a sense of community in their value proposition, while Seedrs (P2P lending platform), for instance, offers additional support to the fundraising process, providing advice on how to launch and improve the campaigns. Nonetheless, Fintechs' struggle is the compliance with regulation; in fact, as of 2018, there was only one Fintech authorized by the Securities and Exchange Commission (CMVM) and supervised by the Bank of Portugal (BdP), Raize, a national P2P lending platform (Autoridade da Concorrência, 2018). On the other hand, there are Fintechs that target this segment by offering tools that facilitate the management of small businesses by providing payment systems, accounting and tax support, as well as organization of legal documents.

Other players. In this ecosystem, other players mostly take the role of financial backers. Most entrepreneurs, in fact, launch their business by bootstrapping – using their own capital and operating revenues from the company (Investopedia, n.d.) -, and also by reaching for investment from the 3 F's (friends, families and fools). Start-ups with higher needs may raise seed investment from Start-up incubators and Business Angels. Then, a small percentage of these, raises capital from Venture Capital firms (Quora, 2015).

These individuals, by having a closer relationship to the entrepreneur, also play the role of mentors, providing advice and recommendations. However, this personal relationship makes entrepreneurs overlook the importance of recurring to legal advice when celebrating this type

of contracts (insights collected from interviews to entrepreneurs, 2018). Figure 3 illustrates how the different players position currently, from the customers' perspective.

Figure 3: Comparison between industry players, from customers' standpoint

	Banks	Fintechs	Other Players		
Risk Tolerance: the player is willing to bear variability in investment returns.					
Reliability: the player can be trusted because behaves in the way that the customer predicted.					
Proximity: the player will be physically near and available regardless of location or time.					
Transparency: agreements with this player are conducted in a clear and open way, with little room for doubts.					
Capacity: ability to provide any amount of capital.					
Low					High

Source: team own analysis

Table 11 summarizes the intermediary conclusions and opportunities identified from the analysis of the industry players.

Table 11: Intermediary conclusions from Industry Players Analysis

Intermediary Conclusions from Industry Players Analysis	
National banks	Compared to other players, banks are differentiated by the physical proximity and human capabilities. On top of this, Bank X has unique resources and capabilities, namely reputation and international presence.
International banks	Bank X can adapt to Portugal the approach that some international banks have to new companies and incorporate it with its current non-financial offer.
Fintechs	Bank X can take advantage in what differentiates it from these players, namely credibility and reliability. On the other hand, the fact that they have a solely digital presence, may limit their actuation when it comes to solving complex matters in which human interaction could be beneficial. This can be an opportunity that Bank X can exploit by taking advantage of its resources.
Other players	Bank X can become closer to these other players by improving its proximity to the customers. This would mean going beyond the physical presence and providing personalized support and advice.

Source: team own analysis

2.1.3. Internal analysis: Bank X as it is

In order to understand the positioning of Bank X in the new companies' landscape, one should understand the organization as a whole, and its presence in the banking ecosystem, which will be done through the internal analysis

2.1.3.1. The Organization

Bank X has the ambition to be the best retail bank in the markets where it is present, by the parameters of profitability and efficiency, as well as customer-centeredness and being an attractive company to work for.

On the other hand, Bank X executives admit **risk-aversion** and **conservatism** to be one of the main traits of the bank's identity.

In terms of digital presence, according to Bank X executives, the bank has been allocating resources and capabilities to keep up with the competition, although it is still lagging behind some of its competitors who have stronger digital presence.

2.1.3.2. Current Offering

As a retail bank, Bank X's main products and services are for privates, such as savings and checking accounts, debit and credit cards, personal loans, mortgages, insurance and certificates of deposit. However, Bank X, similarly to its peers, also has an offer to companies, which comprises transactional and non-transactional products. Bank X's revenue streams are, therefore, those of traditional banks: interest rates, commissions and fees (Bank X Annual Report, 2017).

Regarding its offer to companies, Bank X differentiates from its peers by taking advantage of the multi-national network it is part of, through customized support to its clients in the process of internationalization (insights from interviews to Bank X experts, 2018). Apart from this, Bank X also has a non-financial offer for the corporate clients, differently from its competitors.

The non-financial offer includes internship opportunities, licenses for online training of employees, mini-MBAs offered by partner universities and discounts in the creation of apps (insights from interviews Bank X experts, 2018)

This offer to companies is, however, not customized, as the bank segments its corporate clients solely on the basis of revenue (insights from interviews to Bank X experts, 2018). A segmentation based on volume of revenues, thus makes difficult an approach tailored to new companies, as these have little records and start with no revenues at all.

2.1.3.3. Unique Resources and Capabilities

Bank X is the largest private bank in Portugal. It employs over six thousand people in more than six hundred branches all over the country (insights from Bank X experts, 2018). This makes it unique in terms of available resources and geographical dispersion, which goes even beyond Portugal, since the bank is part of a multinational holding present in 40 countries worldwide (Bank X, n.d.). In fact, the bank already takes advantage of this international network by providing support to companies willing to expand abroad (Bank X website, n.d.) On the other hand, Bank X has also been one of the best performing banks in the Portuguese financial system - it is the only bank to have always showed positive results (Bank X, annual report 2017). This, while being a consequence of Bank X's recognized risk-averse position in the market, confers it a distinguished reputation, when compared to other peers.

In table 12, the intermediary conclusions and opportunities identified from the internal analysis are summarized:

Table 12: Intermediary conclusions from internal analysis

Intermediary Conclusions from Internal Analysis	
The organization	Bank X's risk aversion is associated with reputation. By improving the non-financial offer, the bank can take advantage of its reputation without having to increase the exposure to risk.
Current Offer	By having the same offer for a broad group of customers, Bank X may have limitations when it comes to addressing the customers' needs. Therefore, even though they could take advantage of the non-financial offer to increase their presence in the SME's segment, this opportunity ends up not being well exploited without a proper segmentation. Bank X can

	improve its current offer by proceeding to a better segmentation of its customers, one that goes beyond volume of revenues
Unique resources and capabilities	Bank X can take advantage of the physical proximity it has through the branches across the country, by giving alternative uses to these spaces. On the other hand, the large workforce offers an opportunity to take advantage of human capabilities.

Source: Team Own Analysis

2.2 Opportunity analysis

Some general conclusions can be taken from the information above in the intermediary conclusions. Concerning the external analysis, changes affecting the banking industry internationally and the rise of entrepreneurship ecosystem in Portugal ought to have a great impact in the future of Bank X. While adapting to a new reality, Bank X should take advantage of its strengths.

Regarding the entrepreneurship ecosystem in Portugal, it seems that the majority of the support is given to tech start-ups, leaving an opportunity for the bank to focus on other segments like the ENIs and freelancers. The needs of these segments are more related to the resources and culture of the bank, as they rely more on human interaction, trust and a support that goes beyond financial support and does not require validation of new business models nor deep knowledge about new technologies. By approaching this segment, the bank would be maximizing their unique resources in terms of reputation, human resources and geographical dispersion. Furthermore, for the above-mentioned reasons and because this segment does not necessarily look for financing from the bank, they do not imply a higher exposure to risk, keeping the bank's values and culture.

To conclude, in order to answer the research question on how the bank can create value to new companies and thereby contribute to the entrepreneurship ecosystem in Portugal it is expected that Bank X will be able to create value not by competing with the support that is already available. Instead, the bank should look to the unique resources they have and offer services

not provided by direct competitors, and that are essential to segments in the ecosystem that are sometimes put aside, like the main street business and the freelancers. These segments are generally less tech-oriented and are less risky than start-ups, which goes in hand with the bank's culture, thus transforming a potential weakness into an actual opportunity.

3. Analysis

3.1. Front-End of Innovation: GV Design Sprint

After the research phase, the team dove into the ideation phase, applying the GV Design Sprint methodology. In this phase, the objective was to generate the largest possible amount of ideas from which the best, most practical and innovative one would be selected and then generate a new concept to be tested with customers. The goal of the Sprint, decided on the first day, was to *“Make entrepreneurs launch their businesses in the best possible way”*. The team handling the challenge was composed of six people: two Bank X executives, Mr. R and Mr. F. Mrs. L, from the Nova SBE Venture Lab, as the design expert. And three Nova SBE students – Heloísa Dias, Rui Roldão, the decider, and Valentin Debouche. The five-day process took place in one of the rooms at Nova SBE Campus in Carcavelos.

Monday - Mapping Day: The goal for Monday was to define clearly the long-term goal of the Sprint, after sharing knowledge and understanding the problem at hand.

In the morning, after discussion of the insights from the research phase, the team mapped the customer journey and interactions between different stakeholders in the entrepreneurial ecosystem (figure 4).

Figure 4: Customer Journey and Stakeholders interaction

	Pre-launch			Early Life		Scale
Mainstreet Businesses	Fears	Identifying Opportunity		Start a company with savings	Get first clients	Maturing, Retaining, Maintenance
Freelancers				Projects after university	Keep getting projects	
Government	Entrepreneurship Incentives		Incorporation Rules	Funding and Taxes	Taxes	
Business Partners	Support the pre-launch			Find a Team, Accountant and a Place	Daily Management of payables and receivables (sales, rent, salaries,...)	
Bank	Personal Financing; Risk Mitigation			Financing	Working Capital Needs, Transactional Banking	Long term loans and credit for emergencies
Clients					Feedback Loop	Advertising
Relatives	Support decision of becoming entrepreneur	Idea Validation	Initial Financing	Word of Mouth		

Source: team own analysis

After analysing the customer journey, and based on the inputs from the exploratory research, the team decided the most relevant blocks were “Daily Management” and “Support the pre-launch”, being the latter also related to the “Fears since the team concluded that many of the fears faced by the entrepreneurs in the “pre-launch” phase, could be mitigated by adequate support from the right partners.

In the afternoon, the team conducted interviews with three experts: Mr. D, someone who had in the past launched his own business after some years of experience in the corporate world. Mrs. C, an accountant who works as freelancer and supports her clients in launching their own businesses. And Mrs. FC, who works in a large company in the promotion of an entrepreneurship contest.

After gathering the insights from the experts, the opportunities with highest potential identified by the team (table 2) were mainly about 1) Perceived Risk in the Pre-Launching phase, 2) Focus on the Core Business, 3) Business and Financial Literacy and 4) Daily Management.

Table 13: Opportunities identified in Day 1 of Spring

Opportunity	Description
Perceived Risk in the Pre-Launching Phase	There seemed to be a lot of risk and uncertainty perceived by entrepreneurs in the phase between the idea of starting a new project and the actual launching. This was associated, for example, with the decision to quit the current job, the need to establish a savings and having a backup plan.

Focus on the Core Business	Running a business implies a lot of work and responsibilities, many of which not associated with the core business, such as legal and bureaucracy issues, people management, and finance. This left entrepreneurs less time to dedicate to other matters directly related to the core business, which they saw as a pain.
Business and Financial Literacy	The lack of business and financial literacy undermines the confidence of some entrepreneurs often leading them to poor planning of the finances of the business, resulting in non-optimal decisions that cause financial distress.
Daily Management	To manage working capital and accounts payables and receivable, seemed to be a struggle for many entrepreneurs and also a source of financial distress.

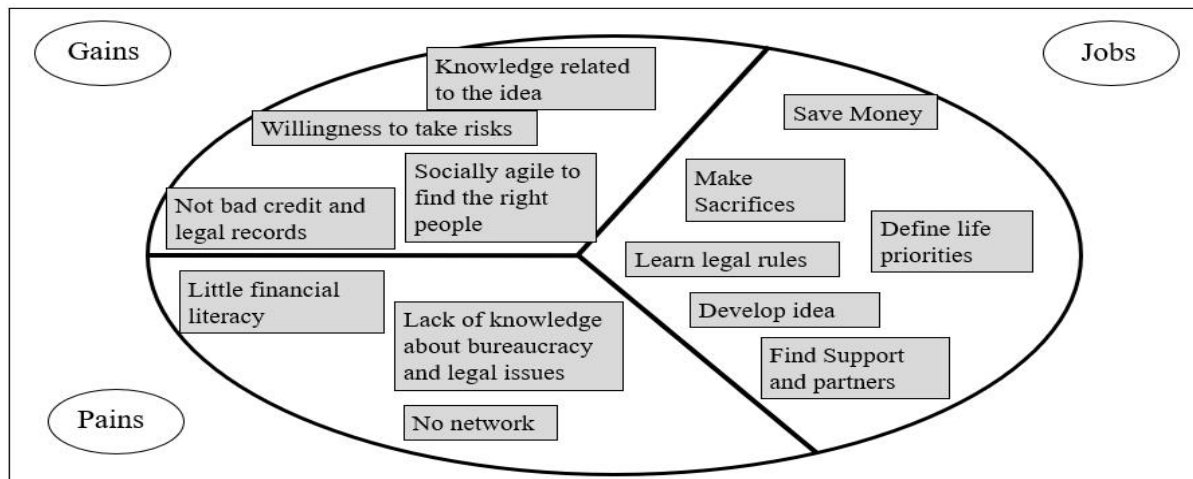
Source: team own analysis

At the end of the day, after the discussion of insights and receiving the input of the experts, the team was able to define a long-term goal for the Sprint “*to make entrepreneurs launch their businesses in the best possible way*”, as well as the Sprint Questions for which answers should be found throughout the Sprint: 1) *What aspects of entrepreneurs’ fears can be mitigated or eliminated?* 2) *Do entrepreneurs search for a safety net?* 3) *Can we help entrepreneurs better balance their lives and their businesses?* The answers to these questions would allow the team to build the prototype of a concept that would add value for customers.

Tuesday – Sketching Day. The goal for this day was to decide on a problem worth solving, given the opportunities identified on Monday. And after this, to analyse competing solutions already available in the market.

The first step was to pick a customer segment and the correspondent Customer Profile (as defined in the Value Proposition Canvas). The team decided to create a persona based on the Customer Profile of a young professional, with few years of experience, expertise in a certain area, and willingness to start own business and become his or her own boss (figure 5).

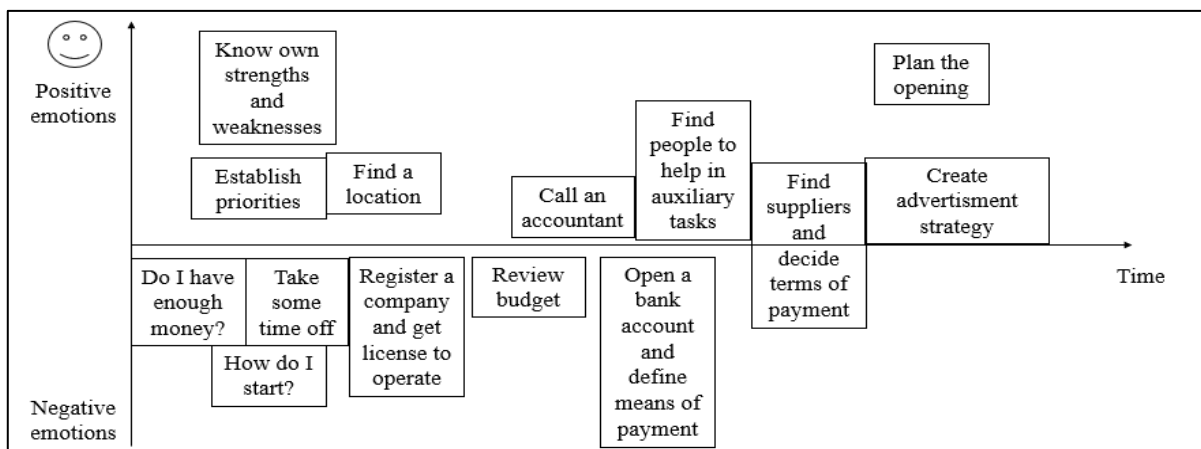
Figure 5: Customer Profile



Source: team own analysis

After choosing and defining the persona, the group went deeper on the customer journey, drawing the customer journey line. The customer journey line highlights the pain points and emotions felt during the process between the decision and the launching of the business (figure 6 and appendix 5A)

Figure 6: Customer Journey Line



Source: team own analysis

The major pain points were related to time management, money, dealing with legal issues and bureaucracy, network and lack of business knowledge. However, the final decision was to focus on the problems related to Lack of Business knowledge and Network, as these represented less explored opportunities, according to the insights gathered in the research phase and the first day of the Sprint.

With the previous in mind, the team searched the internet for existing solutions targeted at the same segment and same problems, to serve as inspiration for the development of a new concept. A wide range of examples was shared (appendix 5B), from social networks aiming to facilitate networking, to banks and Fintechs targeting solutions for small businesses. The most promising ones can be found in table 14.

Table 14: Inspiring existent solutions

Solution	Value Proposition
ANZ “Start a business”	“From writing a business plan to setting up your banking, when you’re starting a business there is a lot to think about. If you’re looking for help, we have a range of resources that could help you get started.” (ANZ, 2018)
Qonto	“The ideal banking alternative for freelancers, start-ups and SMEs, in replacement of in addition to your business banking account.” (Qonto, 2018)
iwoca	“Iwoca offers flexible credit to small business across Europe, allowing them to take advantage of opportunities previously only available to their larger peers.” (iwoca, 2018)
Coconut	“The current account that takes care of your accounting and tax. Designed for freelancers, self-employed people and small business owners.” (Coconut, 2018)
Fiverr	“Fiverr is the world’s largest freelance services marketplace for lean entrepreneurs to focus on growth & create a successful business at affordable costs.” (Fiverr, 2018)
Dr.Finanças	“The best articles, tools and solutions to decrease debt, increase savings, invest, and build a better future.” (Doutor Finanças, 2018)
Powerlinx	“Find relevant strategic partnership and business opportunities. Connect to other business leaders. Find and form partnerships.” (Powerlinx, 2018)

Source: team own analysis and websites of the solutions

Wednesday – Deciding Day. The goal for Wednesday was to decide on a concept to be developed and prototyped in the following day.

The day started with exchange of feedback from both teams in the Sprint, in order to have external opinions and increase motivation.

The first task was to do the crazy 8s – team members should sketch eight concepts in eight minutes, and then share with each other, discuss and vote on the winning concept. Not

surprisingly, some of the concepts were similar and therefore grouped in categories: virtual business card, virtual meeting spaces, events/entrepreneurship space, time management and business process assistance.

The team decided to go for a concept that combined the idea of a virtual business card and virtual meeting spaces. The concept would be a virtual P2P platform where users would have avatars and virtual business cards, through which they could quickly identify peers in any region of the country, with whom they could exchange knowledge about an area of business, in person or in the virtual meeting spaces, and potentially become business partners.

Thursday – Prototyping day. The goal for the fourth day of the Sprint was to develop a realistic prototype of the concept.

In the morning, the team brainstormed about the names for the concept. The one chosen was *Boss Up*, a call for the target - the people wanting to become their own boss. It would have a friendly, casual mood, while also giving a sense of empowerment, since all the people would be in a phase of launching their own project and becoming independent.

The team, with special dedication from the design expert, Mrs L, developed the logo and the mood board, which would set the stage for the presentation of the prototype. This constituted of pictures referring to entrepreneurs, collaboration, independency and happiness, and ended with a final motto “Boss Up yourself and move on with your own business”.

The prototype was a Landing Page (LP), a mock-up website explaining the main features - Virtual Business Card, a Virtual Map, Virtual Meeting spaces and Event List. There was also a section of testimonials and space for signing up for a newsletter (see appendix 6).

Friday – Testing day. The goal for this day was to present the prototype to customers, test assumptions and collect feedback.

In the morning, the team prepared the interview guides with the corresponding hypotheses to be tested (appendix 7). The objectives of the interviews were:

- To understand if the customer profile existed and if the problem trying to be solved (networking) was relevant;
- To understand if the gains and pains corresponded to the assumptions previously developed (figure 5);
- To know if they understood the solution proposed by *Boss Up*;
- To know if they believed *Boss Up* would solve the identified problem, or other;
- To understand if they cared about the features presented (namely virtual connections and anonymity).

In the afternoon, the team conducted the interviews to four people who were willing to start their own business, two of whom had already done so in the past. The interviews were conducted by one or two team members, who showed the materials and asked the questions (appendix 7) to confirm and reject hypotheses, while the rest of the group took notes for analysis later.

Key Learnings from the Front-End of Innovation:

The main takeaway from the interviews in the Sprint was that customers were not able to clearly understand the concept proposed. Even though they understood *Boss Up* was a platform about networking and they recognized this as a need, the solution seemed to fall short on explaining how it was going to help entrepreneurs. Making the team realize that the solution should provide more specific benefits beyond networking.

However, a strong pattern across the interviews showed that trust was an important issue in this context and, for that reason, people liked the fact that some testimonials were presented, and they would have liked to have even more information about the people providing them. On the other hand, the importance of establishing trust, made them disregard anonymity in the platform and ask about verification of the profiles of the users – something the team had not thought about.

The customers were fond of the idea of virtual business cards. However, they would also like the possibility to provide complete information about themselves and not only a summary of their professional background.

Some of the customers also mentioned the relevance of knowing about the formal process of launching a business, which was not addressed by *Boss Up*.

This feedback set the motto for the following stage of the process: customer development.

3.2. Back-End of Innovation

During the project, the customer development process was used to analyse the back-end of innovation and to test the hypotheses made for the business model of *Boss Up*. Customer validation was done partially, as the final two steps - 1) positioning of the product and the company related to the market; 2) verify validation of VP, and profitability and scalability of the business model - were already out of the range of the project. With the customer discovery, the goal was to find a solution that could satisfy the needs of the customers, in order to have problem-solution fit for the business. Furthermore, the goal for customer validation was to achieve product-market fit. For this, the team went to the market to test the final solution and pre-validate revenue streams and customer acquisition channels.

3.2.1. Phase 1: Customer Discovery

During the customer development process, the customer discovery phase was split into four cycles: 1) construct the hypotheses and test the customer segment; 2) test the problem; 3) test the first four concepts and 4) Test the final two concepts. For the first cycle, a total of three interviews and a survey with seven answers was made. In the second cycle, the team obtained 107 responses to a survey conducted and 14 interviews. For the third cycle, the group tested the solutions with seven interviewees. To conclude the customer discovery, the final two concepts were presented to ten people.

Cycle 1: Hypotheses & Test the Problem

Hypotheses

Based on all the output gathered during the Sprint week, the team constructed a set of hypotheses for the nine blocks of the Business Model Canvas for *Boss Up* (table 15). During this project, the priority was on validating four blocks of the front-office of the Canvas: Customer Segment, Value Proposition, Revenue Stream and Customer Relationships.

Table 15: Initial Business Model Canvas for *Boss Up*

Key Partnerships	Key Activities	Value Proposition	Customer Relationships	Customer Segments
SME's incubators	Matchmaking	Advisor / Mentor	Social Media	Ambassador (needs business planning)
	Network	Business Process	Partnerships	Geek (needs network)
	Expanding reach	Supplier for a specific task	Google Search	Tourist (needs both business planning & network)
	Platform promotion	Co-Founder	Events	
	Platform maintenance	Third-Party provider for a specific task	Workshops	
Bank X Move	Key Resources		Channels	Guru (expert on both network & business planning)
	Bank X customer base & partners	Third-Party provider for a specific task	Website	
	Algorithm to make meaningful connections	Business Process	Online Platform	
			Events	
		Developers		
Cost Structure		Revenue Stream		
Customer acquisition (compensation to partners and other marketing costs)		Brokerage fee (get a % of the money involved in the task provided)		
Development and maintenance of the platform		Subscription		
Variable costs related to app and the website		Usage fee		
		Advertising		

Source: team own analysis

As it is possible to see in the table 15 above, the team separated the Value Proposition and Customer Segments into four segments, the ones considered potential targets for the *Boss Up* concept, developed in the Sprint week. Furthermore, the assumptions for the rest of the BMC were also defined having in mind *Boss Up*, the P2P platform, where the different customer segments would interact.

Test the Customer Segment

In this first cycle, the team also dove deep into the problems of the customers, in order to seek those that could have a higher potential. In order to come up with the hypotheses for the customer segments, the group decided to differentiate them based on two needs (easiness to connect vs business knowledge) (table 16).

Table 16: First Segmentation of the Customers Profiles

Have a weak network of meaningful connections	Have a strong network of meaningful connection	
<i>Geek</i>	<i>Guru</i>	Have a strong knowledge about the business process
<i>Tourist</i>	<i>Ambassador</i>	Lacks knowledge about the business process

Source: team own analysis

In the first cycle, the interviews did not show enough evidence to validate the initial hypotheses. Taking this into consideration, in the second cycle, the group developed further hypotheses about each customer segment (table 17).

Cycle 2: Test the Problem

Due to the level of expertise and experience of the Gurus, the team considered *Boss Up* would not add value to this segment. For this reason, they were excluded from the potential targets. Apart from the specific characteristics of each segment, the team also defined hypotheses about the jobs they had to perform since the moment of having the idea until the last step of launching the company (table 17). The goal of these tests was to come up with a segment with the highest potential among all. Furthermore, a validation board was used to support the decisions made (table 17). The percentage in the validation board represents the percentage of people that answered positively to the underlying hypotheses. The Minimum Success Criteria (MSC) of each hypothesis was defined based on its perceived relevance.

Table 17: Validation Board- Hypothesis for cycle 2.

Segment	Hypothesis	MSC	Results	Go or No Go
<i>Geek</i>	Lacks time when trying to launch his business	80%	100%	Go
	Has a high level of education	50%	81%	Go

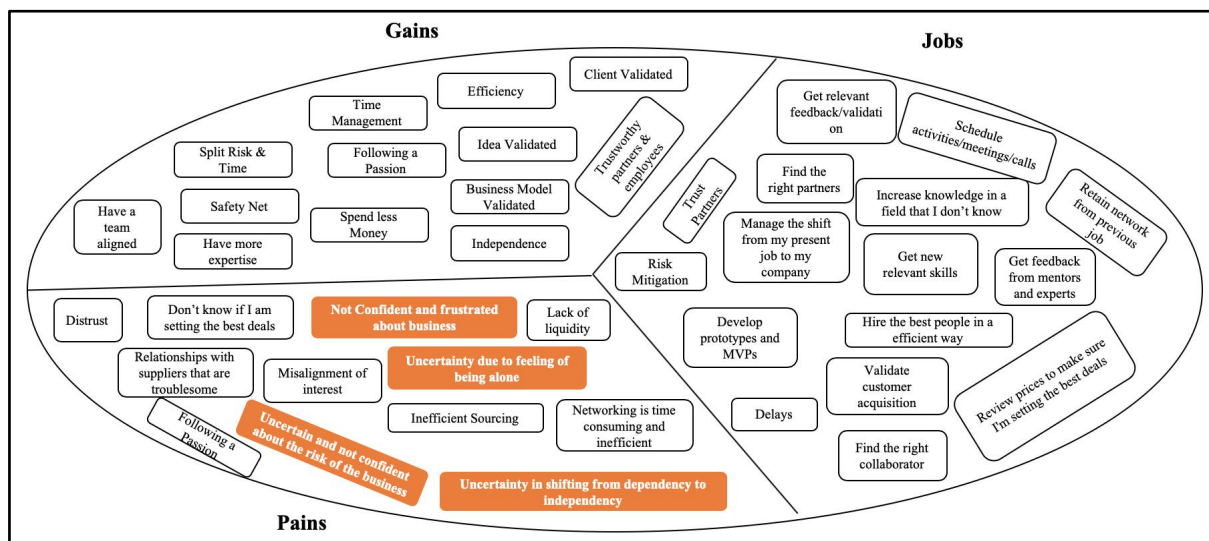
	Leaves in an urban city	100%	100%	Go
	Has experience in his field of expertise	50%	76%	Go
	Goes online for information	80%	95%	Go
	Is still working for someone else	80%	86%	Go
	Is launching a new business in his area of expertise	100%	100%	Go
	Needs idea validation	50%	100%	Go
	Is insecure	50%	75%	Go
	More of a lonely wolf than a team member	50%	38%	No Go
	Is introvert	80%	19%	No Go
<i>Tourist</i>	Has a vision regarding his business	100%	100%	Go
	Not methodical / not well organized	50%	70%	Go
	Is not an expert on the destination field of his business	100%	100%	Go
	Has been working on the process for less than six months	50%	100%	Go
	Is risk-taker	50%	70%	Go
	Has no connections in the destination field	80%	30%	No Go
	Is introvert	80%	30%	No Go
<i>Ambassador</i>	Socially active person	80%	100%	Go
	Values networking	100%	100%	Go
	Cares about validation and endorsement	80%	100%	Go
	Lacks methodology	80%	88%	Go
	No relevant technical skills	50%	77%	Go
	Easily find the right people to solve a problem	80%	13%	No Go

Source: team own analysis

According to the research and testing, the Geeks understood that they were lacking something to launch their business. But the problem was that they did not know who could help them solve their issues in the most efficient way. The Tourists, on the other hand, did not consider the options and support that was available to them, which potentially led them to higher chances of failure. The Ambassadors had the common illusion that they would find all the help they needed in their existing network. However, they missed meaningful connections and did not make the extra effort to find the best suitable person to help them move forward with the business. In the end, some flaws were identified in the Tourists and Ambassadors that made them an unattractive target. Firstly, the Tourist did not feel the need for support and only wanted to launch the business as quickly as possible, even if that came with mistakes made in the process. Secondly, the Ambassadors only recognized that they had an issue after effectively having to deal with it. Taking this into consideration, the team found it would be difficult to convince them they had a problem before they faced it. Based on those two factors, the segment chosen

to move on to the next cycle was the Geeks. This customer segment recognized the need for support in the journey to create a new company and was trying to overcome those problems. Having made the choice of the segment, the next step was to use the value proposition canvas tool in order to construct a customer profile with the main jobs, gains and pains of the Geeks observed in the market.

Figure 7: Customer Profile of Geeks using the Value Proposition Canvas methodology



Source: team own analysis

To conclude, as it is possible to see in the figure 7, in the boxes painted in orange, by using the value proposition canvas tool there were four pains that the team decided to explore - “lack of confidence and frustration”, “uncertainty due to being alone”, “perceived risk of launching a business”, “uncertainty in quitting full time job”. After the discussion on these four pains, a final problem emerged: lack of confidence due to uncertainty, when trying to launch a new business.

Cycle 3: Test the initial four concepts boards: *Boss Up*, *ASKRUI*, *BIZDATA* and *LEAP*.

Based on the lack of validation of *Boss Up* concept that was made during the Sprint, the team decided to brainstorm new concepts that could provide a different solution to the problem validated in the previous cycle. The concept boards illustrated the following solutions:

Marketplace Platform (*Boss Up*); Virtual Assistant Coach (*ASKRUI*), Market Data Intelligence (*BIZDATA*) and a support network provided by Bank X (*LEAP*). Furthermore, for each concept board, five categories were included: a brand name, a picture that could illustrate the overall message of the concept, a small description of the concept, the value proposition and the features which delivered the benefits (appendix 9 & 10 & 11 & 12).

In order to test the four concepts, seven interviews were conducted to test the underlying hypotheses. The quantitative results can be seen in table 18.

Table 18: Validation Board for cycle 3. MSC=80% & 7-10 & rank 3

Concept	Identifies with the Problem	Problem is relevant	Understand Solution	Solution solves problem	Enthusiasm (1-10)	Rank (1- worst; 4- best)	Would recommend to another person
<i>Boss Up</i>	86%	100%	100%	57%	5	2	50%
<i>BIZDATA</i>	86%	100%	100%	86%	8	4	100%
<i>ASKRUI</i>	86%	100%	100%	57%	5	2	33%
<i>LEAP</i>	86%	100%	43%	57%	6	3	67%

Source: team own analysis

The first concept tested was *Boss Up* (table 19), the marketplace platform that was firstly developed during the Sprint week, and the main base for constructing the BMC on the first cycle of customer discovery (table 15).

Table 19: Concept Board presented for *Boss Up*.

Problem Statement	Is uncertainty holding you back?
Description & Value Proposition	Join an online community of entrepreneurs who will help you kickstart your business
Features & Benefits	1) Talk to other entrepreneurs who will give you real time feedback and advices . 2) Learn how to improve parts of your business by attending tailored webinars 3) Improve your knowledge in different business areas through online courses

Source: team own analysis, adaptation from original concept board (appendix 9)

The main conclusions from the qualitative analysis for the respective concept were that: 1) the solution was not perceived as innovative; 2) the idea of talking to other peers and exchanging knowledge was interesting; and 3) it would be contradictory to have webinars/courses in a P2P platform. Furthermore, the quantitative data (table 18) showed that even though everyone

understood the concept, they clearly rejected it. The problem was also relevant to 100% of them.

The second concept tested was *ASKRUI* (table 20). The idea of this concept was to guide the entrepreneurs on their business journey, by providing a virtual assistant to coach the entrepreneur until the moment of launching the new business.

Table 20: Concept Board presented for *ASKRUI*.

Problem Statement	Is uncertainty holding you back?
Description & Value Proposition	Meet your virtual coach and receive guidance through the steps of launching your business
Features & Benefits	1) Reach your objectives through an assessment on your status quo and a corresponding action plan . 2) Overcome obstacles in your business journey by getting personalized training sessions (business model, personal life, methodology, ...). 3) Continuously track your progress and get the details you need to improve your performance

Source: team own analysis, adaptation from original concept board (appendix 10)

For this concept, the main insights from the qualitative feedback were that: 1) people would like to have directions on how to build an effective action plan; 2) people were sceptical about virtual interactions and how tailored could the support be given by a bot; 3) to build a chatbot would require a lot of investment and people working on it. The quantitative results were very similar to the ones from *Boss Up*, with the level of enthusiasm being below the MSC defined, thus not being validated by the team (table 18).

The third concept tested was called *BIZDATA* (table 21). A market intelligence tool with relevant data for the entrepreneurs' decision-making process.

Table 21: Concept Board presented for *BIZDATA*.

Problem Statement	Is uncertainty holding you back?
Description & Value Proposition	Unveil market insights and better position your business
Features & Benefits	Get relevant information from a reliable Market Data Intelligence tool 1) Consumption patterns ; 2) Competition behaviour ; and 3) Implementation Costs

Source: team own analysis, adaptation from original concept board (appendix 11)

The insights showed better receptivity compared to the other two previous concepts. The interviewees were very excited about this solution, even though they had some doubts about it.

On overall: 1) they perceived it as the most innovative concept; 2) they stated that the information provided by this should be easy and simple to analyse; 3) they perceived a need to have high skills on analytics to build it; 4) people were willing to pay for such solution; and 5) the inputs that should be provided were not well clear. Also, it was the first time in which there was a complete validated problem-solution fit for a concept, as 86% answered that this solution was indeed solving the problem identified (table 13). Adding to this point, everyone was willing to recommend *BIZDATA* to other peers (table 13). The level of enthusiasm was also the only one above the MSC. Based on the results from the validation board, this concept was validated (table 13).

Regarding the last concept, *LEAP* (table 22), it consisted on physical support and mentorship, with the support of the network of Bank X. This concept would take advantage of the unique resources and capabilities of Bank X already explored in the situational analysis.

Table 22: Concept Board presented for *LEAP*

Problem Statement	Is uncertainty holding you back?
Description & Value Proposition	Get access to a network of bank experts that can help you launch your business
Features & Benefits	1) Receive feedback and advice on kick starting your own business by talking to experienced mentors from various areas in real time and convenient location. 2) Improve parts of your business through attending relevant workshops and networking events around you.

Source: team own analysis, adaptation from original concept board (appendix 12)

For the first time, the concept was not clearly understood (only 43% did), which made all the other results not very trustworthy (table 13). Due to this factor, in many cases, the group sensed the need to explain the concept. Aside from that, the team understood that: 1) customers liked the fact that this was based on a human interaction; 2) they did not seem to care if the mentors were from Bank X; 3) the interviewees wanted to have different mentors with skills in different areas of expertise; 4) people expected Bank X to endorse them and provide access to their network. In the end, even though only 57% of the interviewees found that there was a problem-solution fit with this concept (table 13), the group decided not to leave Leap out. The team was

not certain if the negative results were due to the way the concept was designed or because it did not meet customers' needs.

To conclude the team decided to ask the interviewees to rank the four concepts. From the results (table 13), the median clearly identified *BIZDATA* and then *LEAP* as the favourite concepts, which reinforced the lack of validation of both *Boss Up* and *ASKRUI*. Based on this and all the information gathered, the team decided to exclude *Boss Up* and *ASKRUI*. In order to decide between *BIZDATA* and *LEAP*, the team went for another cycle of validation.

Cycle 4: Test the last two concept boards: *MAGMA* (alias *BIZDATA*) and *LEAP*

For the new round of validation, the group took into consideration the suggestions provided by the interviewees in the first week and redesigned the two concepts (table 23). The first change was to rename *BIZDATA* into *MAGMA*.

Table 23: New concepts boards for *MAGMA* (alias *BIZDATA*) and *LEAP*

<i>MAGMA</i>	
Description	Market Data Intelligence to kickstart your own business
Value Proposition	Market intelligence platform providing people with market insights in order to help making better decisions while starting their own business
Features & Benefits	Internal insights: 1) Prediction of average implementation costs; and 2) Prediction of average monthly operational costs External insights: 1) Industry- nature of competitors; visualize number of competitors; and average revenue per sale of competitors; and 2) Market- growth; and evolution
<i>LEAP</i>	
Description	Support Network to kickstart your own business
Value Proposition	<i>LEAP</i> is a support network of experts for entrepreneurs aiming to increase the odds and mitigate the risk of launching their own business
Features & Benefits	Find a branch near you and get: 1) Coaching and endorsement from entrepreneurship experts 2) Access to mentors and advisors from various fields and industries. 3) Affiliate network of coworking spaces 4) Specific trainings in partnership with the best universities in the country

Source: team own analysis, adaptation from original concept board (appendix 13)

As it is possible to notice in the table 23 above, the team developed in deeper detail the features of both concepts. For *MAGMA* it was no longer only a Market Data Intelligence tool, it was also providing a way for the customer to obtain internal insights in order to predict possible costs of their business, and also external insights about the industry and the market.

In *LEAP*, the role of Bank X was highlighted more (table 23), in order to be clearer, which was the major problem with *LEAP* in the previous cycle. Again, for this round of validation, the team organized the results from the interviews in qualitative and quantitative data (table 24). The goal of this cycle of validation was to validate the value proposition of each concept and no longer the problem being solved, as this was already validated in the previous cycle.

Table 24: Validation Board Results of *MAGMA* & *LEAP*.

Concept	Hypothesis	MSC	Results	Go or No Go
MAGMA	Level of enthusiasm (1-10)	7	7.5	No Go
	Prefer to have fewer data if that is easier and simpler	70%	100%	
	Have the need of knowing the number of competitors	70%	75%	
	Want to be aware of the growth and evolution of the market	70%	75%	
	Have the need of knowing the nature of the competitors	70%	71%	
	X% prefer to use this before launching the business	70%	71%	
	Want to know the revenue per sale of competitors	70%	57%	
	Will use it more than once and in a continuous way	70%	50%	
	Prefer to have aggregated data than individual data	70%	40%	
	Want to use this concept to predict implementation costs	70%	25%	
	Prefer MAGMA over LEAP	70%	25%	
	Want to use this concept to predict operational costs	70%	14%	
LEAP	Level of enthusiasm (1-10)	7	8.5	Go
	X % value coaching and mentorship, especially endorsements	70%	100%	
	X% value the access to co-working spaces	70%	100%	
	X% prefer to use this before launching the business	70%	100%	
	X% will use this more than once and in a continuous way	70%	100%	
	X% value the physical proximity	70%	89%	
	X% value the presence of Bank X	70%	78%	
	X% value the trainings in partnership with Universities	70%	75%	
	X% are willing to pay	70%	75%	
	Prefer LEAP over MAGMA	70%	75%	
	X% would like to meet in the bank's branch	70%	33%	

Source: team own analysis

The first concept analysed was *MAGMA*. From the feedback gathered, there was a switch in opinions in relation to the previous cycle. This, according to the group, occurred mostly because now the concept went deeper in terms of specific features. The main conclusions were that: 1) customers wanted simplicity on it and the way the concept was presented to them was not simple; 2) they could see this as a way to keep track of their progress until launching the

business; 3) they enjoyed the fact that it was very innovative; 4) some were reluctant about the access to private information about the companies

The second and last concept was *LEAP*. Based on the feedback the group got, there was also a change in perspective, however in this case it was for the better. With the way the concept was being presented to them, people now understood the solution (table 24). The main message taken from the validations made were that: 1) the services needed to be as tailored as possible to their project; 2) they valued the presence of the bank due to the vast network that they have; 3) they valued the human interaction, which goes in hand with what the group identified previously in the situational analysis as the best strategy for the Bank X; 4) they strongly validated the possibility of receiving support from mentors and being endorsed to potential clients and partners; and 5) they would not like to have meetings with the mentors in bank's branch, and would prefer to have it in the affiliate network of co-working spaces.

To conclude, the group asked again for a level of enthusiasm to the concept (one-to-ten) and to rank which one was their favourite. From the all responses, 75% preferred *LEAP* over *MAGMA* (table 24). The level of enthusiasm was also higher for *LEAP* (8.5 against 7.5 of *MAGMA*) (table 24). Based on all this output, the team went with *LEAP* as the final concept.

3.2.2. Phase 2: Customer Validation

During the customer validation, the team went through two cycles: the first one more oriented to the value proposition and a second cycle that already included the revenue model and potential channels of customer acquisition. Both of them included the first two steps of the customer validation: “get ready to sell” and “get out of the building”. The objective of these two cycles was to obtain product-market fit with a sample of potential customers.

Cycle 1: First version *LEAP*

In order to test the MVP of *LEAP*, the team decided to present the website (appendix 14) to some of the people that had been interviewed in prior phases of the project. The main goal of

this phase was again to use the feedback loop in order to take conclusions regarding the user interface of the website and the value proposition benefits of the main features of *LEAP*. The website was displayed online for two days. In order to obtain the main results for the defined hypotheses, the group used Google Analytics (GA). The hypotheses for this cycle were the following: *H1: The website's User Interface (UI) and User Experience (UX) were enough for people to clearly understand and explore the concept; H2: X% explored the four features: mentors, partners, spaces and trainings.*

Table 25: Number of Events (clicks in the website) per Page during the first cycle

Page Title	Total Events	Unique Events
	146	69
Initial page	53 (36.3%)	24 (34.78%)
Mentors	42 (28.77%)	20 (28.99%)
Partners	19 (13.01%)	8 (11.59%)
Spaces	18 (12.33%)	10 (14.49%)
Trainings	14 (9.59%)	7 (10.19%)

Source: Information obtained with Google Analytics

The first hypothesis (*The website's User Interface (UI) and User Experience (UX) were enough for people to clearly understand and explore the concept*), was not validated, as many people commented that it was not easy to understand the value and benefits of the four features. Also, for the team, the way the website was developed, brought many difficulties in terms of obtaining relevant quantitative results from GA. Due to these results, the team decided that in the next cycle of validation, the website would have to be improved. However, with these results obtained, some patterns could be identified. From table 25, the feature of Mentors was clearly the one with highest number of interactions among the rest. Even though the feature of the Mentors was the one with higher level of interest, all of them had at least one event (one event corresponds to a person visiting that page). With this data, the second hypothesis was also

validated (*X% explored the four features: mentors, partners, spaces and trainings*). The qualitative feedback gathered from the five interviews also showed that: 1) Bank X brand gives credibility and not necessarily creates the expectation of automatic financing (this was very important since in the first cycle, when the first concept board of *LEAP*, was presented to the interviewees, many thought this concept was related to financing); 2) they would prefer to meet with mentors at the co-working spaces; they would like to have access to a list of potential partners from where to choose; and 3) in the website they would like to have examples of potential mentors and partners.

Cycle 2: Second version of the LP – 1) Value Proposition; 2) Revenue Streams; and 3) Customer Relationships

For the last cycle of the customer-validation, the team went to test three main blocks of the BMC, with a new version of the LP: Value Proposition, Revenue Streams and Customer Relationships. Furthermore, even though the block of Key Partnerships was not an objective of the group, the team found relevant evidence during this cycle. A final version of *LEAP* was made (figure 8).

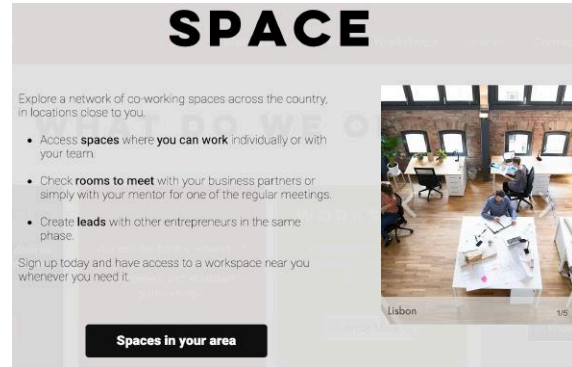
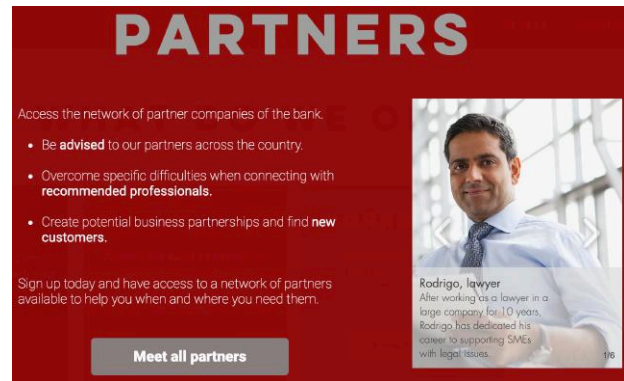
Figure 8: Final Version of *LEAP*

LEAP is a network to support the creation of new businesses, with the support of Banco Santander.
LEAP will be close to you to assist you in every step of your business launch. Through this network, you can access mentors, partners, trainings and workspaces in a fast, integrated and personalized way.

Not only do we launch projects, we launch people!

WHAT DO WE OFFER?

MENTORS Meet with mentors from diverse areas, ready to help you with your business. Know More	PARTNERS Access the bank's network of partners. Find potential customers and establish partnerships. Know More	WORKSHOPS Participate in workshops at the best universities in the country. Know More	SPACES Explore a network of affiliate coworking spaces. Know More
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Source: team own analysis, final LP (appendix 15)

Value Proposition- Minimum Value Product (MVP)

With this last stage of the CDP, the goal was to test the final version of the LP (figure 8) and try to use different channels of customer acquisition, such as Google Ads. To start, some important changes were made in the layout of the LP. Those changes considered the feedback from the first cycle of customer validation. In order to come up with structured conclusions, the team set five main hypotheses: *H1: Customers want to know about LEAP; H2: Customers value the presence of real examples of the features of the LP; H3: Customers want the four features to be part of LEAP; H4: Customers want to try LEAP; H5: Customers are not inhibited by having to fill an enrolment form*

Table 26: Overview of the LP results

Users		New Users		Bounce Rate	Average session Duration
67		53		37.76%	00:03:53
Total Events		Unique Events	Sessions	Sessions with Events	Events / Sessions with event

731	331	98	57	12.82
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Table 27: Weight of each Category in total number of events

Images	Features	Call-to-Action (CTA)	Enrol
171 (47%)	134 (37%)	54 (15%)	5 (1%)

Table 28: Weight of each feature in total number of events related to features

Mentors	Partners	Workshops	Spaces
45 (34%)	38 (28%)	28 (21%)	21 (17%)

Table 29: Total Events that redirect to enrolment form, by CTA

Mentors	Partners	Workshops	Spaces	LP
14 (26%)	11 (20%)	8 (15%)	4 (7%)	17 (32%)

Source: information obtained with Google Analytics

In table 26, results quantitatively show people's willingness to know more about *LEAP*. The bounce rate is the percentage of sessions (one user is equal to one session if he only goes to the LP once) in which there is no interaction with the LP (the users stay in the website zero seconds). The overall bounce rate of the campaign is 37.76% (table 26), a very low value, when compared to other LPs (insights from Bank X experts). From those 98 sessions, only 37 ended immediately. Most of them (58%) had at least one event (one event is equal to one click on the LP). To conclude, with this data, the team considered that the first hypothesis was validated (*Customers want to know about LEAP*).

Table 27 also shows that most of the events in the LP of *LEAP* (47%) were associated with images, reflecting the importance that customers give to the presence of specific examples of mentors, partners, affiliate network of co-working spaces or workshops, and thus validating the second hypothesis. (*Customers value the presence of real examples of the features of the LP*). This validation is essential as it shows that in order to increase the conversion rate, it would be key to have a list of *LEAP*'s mentors and the network of affiliate co-working spaces.

The third hypothesis (*Customers want the four features to be part of LEAP*), is validated by data on table 28, as the total number of events with features is almost similarly spread. Even

though customers wanted to know more about the mentors and the partners, they thought that the co-working spaces and the workshops could also add value to them.

Table 27 also illustrates the relative importance of each feature, by showing the number of clicks in the corresponding Call-To-Action (CTA). From this, it can be derived what are the features that create a higher incentive for people to enrol (table 29), as all the CTAs led to the enrolment form. This combined with the percentage of users expressly interested in trying *LEAP*, by clicking on the “Try now” button (32%), validates the fourth hypothesis (*Customers want to try Leap*). However, even though their interest in trying *LEAP* was validated, the fifth hypothesis (*Customer are not inhibited by having to fill an enrolment form*) was not validated. Only 9.26 % of the users that faced the enrolment form left their email. From this lack of validation on the last hypothesis, the group concluded that customers probably realized the concept was still in development phase, which prevented them from enrolling. Even though there were four hypotheses validated, the last one was essential to conclude that the team obtained product-market fit.

Revenue Stream

In order to come up with a pricing model for *LEAP*, the team decided to first conduct a benchmark analysis of other players that have similar offers. The price models of international banks like the New Zealand bank ANZ (Honcho, 2018) were taken into consideration. After looking to potential pricing models, the second matter of analysis was the average price of co-working spaces in Portugal. Those co-working spaces in Portugal had an average price of 100€ per month (TrenDestination, 2018). Furthermore, the team also decided to consider as benchmark, the price of Bank X Move, the non-financial solution for SMEs of Bank X. The average monthly price of this service was 14.50€ (Bank X report, 2018). Since this price was radically different from that of co-working spaces, the team decided that in an initial phase, to simply offer a discount with the affiliate co-working spaces. This would allow *LEAP* to be more

scalable, while remaining appealing for entrepreneurs who looked for co-working spaces. Given the feedback of the customers about the importance of knowing who the mentors would be and establishing a relationship with them, the team considered that it would make more sense to offer a free session with the mentor. In the end, the pricing model chosen was a mix of bundle, subscription and pay per usage. Two options were offered: an account with Bank X called LEAP (only focused on those that are creating their own company) and a subscription plan for those not willing to join Bank X (table 30).

Table 30: Price Model of *LEAP*

Free Trial: First meeting with mentor for free		
Services	LEAP Account	Subscription
Mentors	Unlimited Sessions	Unlimited Sessions
Partners	Access to Bank X's list of partners	Access to Bank X's list of partners
Workshops	Unlimited Access	Unlimited Access
Co-Working Spaces	15% discount on co-working spaces	15% discount on co-working spaces
Price	12€ / month (Free Cancellation)	15€ / month (Free Cancellation)

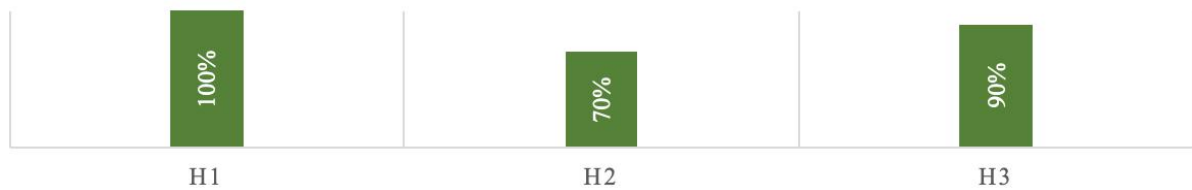
Source: team own analysis

Based on the research made, the final pricing model tested was the one in table 30. The *LEAP* account would have a price of 12€ per month, with the same offer of the subscription plan (table 30) and could also be integrated with the client's personal account. On the other hand, the subscription would have a higher price of 15€ per month, in order for the customers to have a small incentive to join Bank X. With both models, the client was free to withdraw in any month, if he felt that he was no longer in need of *LEAP* support network.

In order to test the pricing models, the group constructed three hypotheses: *H1: Customers are willing to pay for LEAP; H2: Customers prefer the LEAP account to the subscription; H3: Customers are still willing to pay with an increase of 25% and 50% in price.*

In order to test them, the group conducted an A/B/C testing, in which three different prices for the two models were sent to different people (difference of 25% and 50% increase on the both prices). The output of the test made can be seen below in figure 9.

Figure 9: Output of the A / B / C Testing regarding the Pricing Model, n=10.



Source: team own analysis

From those results, the team concluded that the three hypotheses were validated. An increase up to 50% in the base price could also be considered, since the responses about willingness to pay were independent from the prices presented. Also, the majority clearly preferred the *LEAP* account, showing no risks to associate *LEAP* with a bank account, something that the team was not certain before conducting the test. It is also important to refer that the single person that was not willing to pay for *LEAP* was a student, which was not a surprise as students were not the initial target.

Customer Relationships

In order to test what customer channels to promote *LEAP*, the team decided to run a Google Ads campaign, and also share the LP to some people directly through Facebook. Some hypotheses were also made: *H1: Direct referral is a strong channel of communication for LEAP; H2: Customers are driven to the LP with other channels than direct referral; and H3: In nominal terms, Google Ads is the strongest channel of communication.*

Table 31: Channels used to attract customers to the LP

Category	Users	New Users	Sessions	Bounce Rate
Total	67	53	98	37.76%
Direct	42 (61.76%)	34 (64.15%)	50 (51.02%)	38%
Organic Search	16 (23.53%)	14 (26.42%)	16 (16.33%)	68.75%
Social	6 (8.82%)	5 (9.43%)	7 (7.14%)	14.29%
Referral	4 (5.88%)	0 (0.00%)	25 (25.52%)	24%

Source: information obtained with Google Analytics

The majority of the users of the LP were those with whom the team shared the link directly (table 31). From the ones in that category, the bounce rate (number of users that leave the LP immediately) was 38% which can be considered a low value. This validates the first hypothesis (*Direct referral is the strongest mean of communication for LEAP in relative terms*) Regarding the users that found *LEAP* online without having the team sending them the link, the team was able to obtain 16 users (23.53%) with a very limited campaign in terms of budget and chosen keywords. This validated the second hypothesis (*Customers are driven to the LP with other channels than direct referral*). The bounce rate for the Google Ads campaign was 68.75%, however this is understandable as half of the ones that came from Google, were searching for Amazon, which had nothing to do with *LEAP* (those eight had a bounce rate of 88%). With Google Ads, 14 new users were obtained (26.42% of total new users in cycle 2), thus validating the last hypothesis (*Google Ads is the strongest channel of communication in nominal terms*). To conclude, with these results, it was pre-validated that at least two channels could be used to promote *LEAP*: Direct Referral and Google Ads.

Partnerships

It is worth to mention that, unexpectedly, the team was contacted by one individual who wanted to establish a partnership with *LEAP*. This person was organizing a mentorship program for new companies in one University in Lisbon. Even though the negotiations did not proceed as *LEAP* was only being tested, this was an important validation of *LEAP*. This showed, to some extent, that other organizations could look at *LEAP* not as a competitor but as an entity that could contribute to the entrepreneurship ecosystem in Portugal.

Final conclusions of the Back-End

Even though the team was able to generate problem-solution fit for *LEAP*, the same cannot be said for the product-market fit. This was only pre-validated since: 1) The group did not test possible ways to retain and grow customers, and so, the block of *Customer Relationships* was

not fully validated; 2) The group sensed a need for further validations in relation to the *Revenue Stream* and the implied pricing model; and 3) the block of *Channels* was not tested, due the fact that this would require an action plan executed by Bank X that could connect real entrepreneurs lacking confidence to launch their project and the trained mentors from *LEAP*. To respond to all these unanswered topics, the team developed a topic of Recommendations, with an action plan with what Bank X needs to execute in order to not only obtain product-market fit but also have an efficient and profitable business model

4. Recommendations

4.1 Answer to the challenge - Leap: “We support the creation of your business”

Bank X, through its dominating position as one of the biggest banks in Portugal and in the world, can take advantage of its resources and capabilities to thrive in this favourable entrepreneurial environment. Its risk-averse behaviour has given the bank the highest net income in the country, with €436 million made in 2017 (Annual Report, 2018). However, this risk aversion has been very conflicting with the segment of newly created companies. Newly created businesses are in fact the riskiest loans a bank or a lender may encounter. With the decision to stick to retail banking and not merging with a private investment bank, as well as adopting a very strict policy in terms of loans given to business founders, Bank X has developed an image of “the anti-bank for entrepreneurs” over time.

On the customer perspective, one of the biggest learnings for the team was to realize that entrepreneurs, the users, are hard to segment. Exploratory research has shown that they believe the hard-to-segment complexity to launch a business can only be solved through **human interaction**. They want solutions that are as tailored as possible to their different needs. In line with the findings made in the situation analysis, Portuguese customers are not ready for digital solutions. As with the third cycle of the customer discovery, the team realized that they were

not confident in the utility of having a virtual assistant to manage their everyday problems. Entrepreneurs want something simple, which they can relate to.

For the above-mentioned reasons, entrepreneurs seek **trustworthy people** to work with. *LEAP* was created by the Living Innovation team with the idea that no entity in Portugal is currently offering a vast support network like Bank X can. Sometimes, the innovation is not only coming up with something revolutionary, it is also creating something new out of something that already exists (Govindarajan, 2010).

After 4 months of research, the team developed the final BMC of *LEAP*.

Table 32: *LEAP*'s final Business Model Canvas

Key Partnerships	Key Activities	Value Proposition	Customer Relationships	Customer Segments
Affiliate program of coworking spaces	Marketing & Sales	Increase the odds and mitigate the risks of launching a new business	Tailored support and personalized attention from mentors to entrepreneurs	Entrepreneurs
Universities	Customer Relationship Management	Grow a network	Channels	Mentors
Bank X Move	Product Management (Leap as a service + platform performance)	Build confidence	Online Platform	
	Organization of Events (e.g. workshops)	New job opportunities	Events	
	Key Resources		Google Search	
	Industry experts among Bank X's existing clients and partners			
	Bank X Move Box			
	Bank X's Branches			
Cost Structure			Revenue Stream	
Customer acquisition (compensation to partners and other marketing costs)			Subscription	
Development and maintenance of the platform			Bank Account	
Salaries				

Source: team own analysis

Based on the customer discovery and the identified needs of the target segment, *LEAP* is able to provide entrepreneurs with a support network that will build their confidence and accompany them on their journey to success. Through this network, customers get access to mentors,

industry experts, workshops and workspaces in a fast, integrated and personalized way. By meeting the needs of entrepreneurs, *LEAP* offers a service that is different from its competitors in terms of **trust, personalization, convenience, affordability and networking**. *LEAP* is therefore able to better cope with the challenges and opportunities faced in the diagnosis phase (Tables 9,10,11&12). Table 33 below shows the team analysis to answer entrepreneurs' needs with the main benefits that *LEAP* has to offer.

Table 33: *LEAP* is meeting customers' needs

Needs of Entrepreneurs	Description of LEAP's main benefits
Trust	By leveraging the reputation of Bank X as the most financially stable bank in the country and combining it with human interaction, LEAP brings a sense of trust to its customers. In addition, Leap helps customers to mitigate the risks of launching their business by surrounding them with the people they need and trust.
Personalization	Leap tailors its services to the need of its individual customers. LEAP is able to fulfil the customer's needs more effectively and efficiently, making interactions faster and easier and, consequently, increasing customer satisfaction and the likelihood of partnering with us.
Convenience	LEAP is the biggest support network and is everywhere in the country. By making its services easy to reach and accessible at the most strategic locations, Leap is able to meet the demand and is more likely to drive loyalty from its customers.
Affordability	By making use of existing resources and capabilities of Bank X, Leap can charge a lower price than its competitors and substitutes services. By doing so, Leap is able to match the needs of all entrepreneurs and early businesses that may not have a lot of money to allocate in order to develop their project.
Networking	Leap gives its customers the opportunity not only to enjoy a vast support network, but also to create strong relationships and build a network of their own. By offering training programs like workshops and by setting up networking events among the clients and their partners & mentors, Leap is able to increase their likelihood of building a strong network.

Source: team own analysis

4.2 Action Plan for Bank X - Men, minutes & money

The purpose of the recommended action plan is to present the necessary steps following the validation of *LEAP* by Bank X, starting in March 2019. Overall, a team of 26 people, as well as an initial investment of €307,200 are needed to conduct the project through its first year of implementation.

The three key activities that will sustain the entire project are: 1) to validate the recommendations that need to be further assessed and will be explained in the last part of this section; 2) to recruit an adequate team in order to launch *LEAP* efficiently; and 3). to develop the website based on the LP that has already been created by the Living Innovation team, taking this report into account to optimize the UI and the UX.

The 2019 action plan is presented in the table 34 below.

Table 34: First Year Action Plan

Activities	Minutes (Months of year 2019)						Men	Money
	Feb/Mar	Mar / Apr	May / Jun	Jul / Aug	Sep / Oct	Nov / Dec		
Additional Validation							Interns in Business Development/ Analysis (3)	/
Recruit Team Leap							Bank X HR Team (2)	4 months X 1 senior HR manager at €5,000 per month + 4 months X 1 HR manager at €2,300 per month = €29,200
Recruit Mentors								
Develop User Interface							Bank X IT Team (4)	4 months X 4 full time developers at €1,400 per month = €22,400
Partnership with universities							Leap Management Team & Account Executives from Bank X (4)	4 months X 4 full time account managers at €1,600 per month = €25,600
Partnership with co-working spaces								
Train Mentors							Coaches/Recruiters	Budget for training = €5,000
Partnerships with experts							Mentors (5)	Yearly Payroll = €175,000 (Starting from March 2019)
Leap Launch							Leap Team (8)	
Marketing Campaign							Leap Marketing Team	Marketing budget = €50,000
Total							26 people	Total budget= €307,200

Source: team own analysis, PayScale estimates (2018), Erickson (2018), Zivkovic (2018)

In terms of men, the team wants to highlight the difference between part-time contractors (or employees of Bank X) and the full-time management and executive teams that will be entirely dedicated to work for *LEAP*.

On the part-time perspective, the team emphasizes on the need to contract with the following positions at Bank X: 1) Interns in business development and business analysis; 2) Human Resources team; 3) Information Technology team; 4) Account executives; and 5) Coaches for training.

First, there is an opportunity for Bank X to employ a team of two to three interns in order to operate the additional validations at no cost. As most of the universities in Lisbon graduate their master students at the end of January 2019, there will be a significant number of candidates interested in starting this mission. Bank X could leverage the promise of a potential full-time position at *LEAP* to recruit interns.

Second, for SMEs that share the same characteristics as *LEAP*, research shows that one Senior Human Resources (HR) manager assisted by one junior HR manager would be enough to perform the task to recruit a management team (Zivkovic, 2018).

Third, most web projects should allow for 12 to 16 weeks from the time that the project kicks off to the time that the website launches (Erickson, 2018). A project of *LEAP*'s span usually involves three to four full-time developers. On the digital side, the team believes building a website that is easy to navigate on, simple, understandable and leads the users to take action with *LEAP* is adequate for the first-year action plan. Once again, *LEAP* provides human interactions with its clients not digital solutions. The website development should start in March 2019 and end in June 2019.

Fourth, *LEAP* as a company will base a significant part of its operations on partnerships. While the team believes that the partnership with the industry experts should be achieved by the mentors in order to strengthen their relationships, the remaining partnerships with the

universities and the workspaces should be done professionally with the help of account executives. Bank X already partners with 53 universities across the country and is already making use of the “Bank X Move Box” (Bank X Annual Report, 2017). With this programme, the Bank makes available, at no cost, different courses and workshops to companies’ employees, whether customers or not. *LEAP* should therefore be able to integrate the services provided by the Box and offer an additional tailored plan for entrepreneurs.

Regarding the co-working spaces, the account executives will be in charge of negotiating the different terms specified in the affiliate program. As a reminder, the two main agreements that should be reached are: 1) a 15% discount per month for the first year of renting an office; and 2) two free bookings of a meeting room to meet with the mentor or other partners.

Fifth and last, in order to take advantage of mentors in the best possible way, the team recommends Bank X to organize a one-week training program to gather 15 potential mentors. The pilot program should take place in Lisbon, due to its central location in the country and the easiness to find the right resources (workplace, staff and services) to conduct the program. The team estimates the cost of running a training programme to be of €5,000, based on historical data from similar corporate trainings organized in Portugal. These costs will include: 1) hiring two professional coaches (one external, one from Bank X); 2) renting a space to organize the training; and 3) providing food & beverages for 17 attendees for one week in July 2019. After the mentors are properly trained, they will be able to negotiate a partnership with the different industry experts from their region. With an adequate coaching on time management to help mentors reaching partnerships in their spare time, the team expects no additional costs to be incurred.

On the full-time perspective, research has shown that the foundation team of a business of *LEAP*’s scope requires the positions shown in table 35 (Zivkovic, 2018). With no additional costs expected, the total payroll for the year 2019 will equal €170,021.32. Given the fact that

Bank X offers competitive salaries to its employees, the team rounded this amount up to €175,000.

The salaries cover a full-time compensation for the following positions as of March 2019:

Table 35: PayScale Estimates for full time employees (excluding part-time contractors)

PayScale Estimates	Year	Month
Business Development manager (03-19)	€25,958.30	€2,595.83
Accountant (03-19)	€12,250.00	€1,225.00
Product manager (03-19)	€25,000.00	€2,500.00
Marketing manager (03-19)	€19,000.00	€1,900.00
Marketing Analyst (03-19)	€13,750.00	€1,375.00
Customer relationship manager (03-19)	€23,991.70	€2,399.17
Web developers (2) (07-19)	€15,738.00	€2,623.00
Mentors (5) (09-19)	€34,333.32	€8,583.33
Total	€170,021.32	€11,995.00

Source: team own analysis based on PayScale estimates

As a note, the team recommends starting employ two full-time developers at the beginning of July 2019. Additionally, five mentors will be needed in order the meet the demand of *LEAP*'s customers as of September 2019.

In terms of money, the marketing campaign that will take place at the end of August 2019, prior to the launch, should receive a budget of €50,000. This amount is found using Chris Leone's studies (2018), stating that a B2C company like *LEAP* should allocate 16% of its total budget to marketing when it launches. This budget is expected to slightly decrease over the years, since raising awareness is especially important at the beginning of the implementation. The budget allocated should primarily be invested in Google Ads as the team expects most of the website traffic to be driven from the Google Search. Furthermore, the team suggests using the remaining budget to advertise in major summits and workshops for entrepreneurs. Word-of-mouth from the bank employees is expected to have a major impact on *LEAP*'s promotion. *LEAP*'s

marketing team should therefore take this into account to help Bank X's executives advertise organically.

4.3 Qualitative Impact for Bank X

During the recent years, the Portuguese entrepreneurial environment has been completely disrupted by new market players entering the country as well as a government decision to encourage the creation of new companies. The growth of the ecosystem that resulted from these changes led to a significant increase of entrepreneurs across different segments. A lot of actions have been taken on the social, political and technological side to incite entrepreneurs from all over the world to open their business in Portugal. This help has however been targeted to companies with a high technological degree, leaving a lot of entrepreneur segments behind. Through this report, the team has demonstrated that there is a great opportunity at stake for Bank X to focus on the segments that were not considered in the past. The qualitative impact Leap has on Bank X is summarized in the table below:

Table 36: Leap impact on Bank X

Challenges	Solution
The bank is seen as risk-averse and does not contribute to the growing entrepreneurial ecosystem in Portugal	By providing entrepreneurs with a support service that makes use of the existing resources of Bank X while staying in line with the values of the bank, Leap contributes to the growing environment of the country at no additional risks.
The bank is not able to identify new businesses into different segments	The needs of various new companies are finally answered by Leap and its services. Leap provides customers with a tailored support that will meet their specific business needs. Moreover, the bank gains a lot of knowledge about the new businesses being created in Portugal.
The bank is struggling to acquire new clients from the entrepreneurs' segment.	Leap offers a new revenue model and increase the likelihood of entrepreneurs opening an account at Bank X by giving them cheaper incentives to pay for the subscription plan if they open an account. Therefore, more successful businesses in the future and more accounts opened means more money for the bank.
The bank is expected to close more than 100 branches, threatening the position of a significant number of employees	Leap gives the possibility for Bank X to reassign employees of the branches to convert them into mentors. On one hand, it is done at no extra costs since they are already working for the bank. On the other hand, it boosts the satisfaction of the employees as well as their trust in their employer, the bank. This leads to higher motivation and performance among mentors.

Source: team own analysis

4.3.1 Market Entry & Market Size

To better recommend where *LEAP* should start its first operations, a scorecard analysis was developed, using variables such as the number of companies created and deregistered, the variation from 2017 to 2018, the presence of the bank, and the competition overview in terms of available alternatives, to come up with the right location to implement the business (Appendix 16). The reason why the team decided to use these variables as a proxy for the year 2019 is because they are actual indicators on how every city is performing on the Portuguese start-up scene today. *LEAP* aims to change the mentality of the entrepreneurs and could therefore tap into a market with a higher potential. However, the team understands that converting customers who are not yet educated on what *LEAP* has to offer to run their business with confidence, will take more than its first year of implementation. Especially, given the fact that the first customer approach through marketing will start in September 2019. For this reason, the team assumes that *LEAP*'s first customers will be among the entrepreneurs who are already willing to launch their business in 2019. Furthermore, the financials will show that *LEAP* should be able to convert customers from the high potential segment of entrepreneurs who fear to launch their business, in 2020.

Overall, with 15,444 new companies created from November 2017 to October 2018 (Barometro Informa, 2018), Lisbon represents the highest potential market fit to launch. In order to determine the size of the market available in the capital, a market analysis has been made, using the Total Available Market (TAM), the Serviceable Available Market (SAM), and the Serviceable Obtainable Market (SOM).

In order to optimize the services offered by *LEAP*, the team recommends focusing on the five biggest industries representing the business registrations. In this manner, it will be easier to target the selection of the mentors and increase the likelihood of reaching an agreement between the partners and the mentors in their area of expertise. Barometro Informa's studies (2018) show

that the five biggest industries represented in Lisbon are the following: 1) Services - Tourism, consulting & freelance (4895 businesses opened); 2) Real Estate (1817); 3) Restauration (1815); 4) Retail (1751); and 5) Construction (1428).

Altogether, the five biggest industries represent 75.8% of the total available market and account for the serviceable market over Lisbon (Barometro Informa, 2018). Assuming that *LEAP* will first be established in Lisbon, the SAM represents 11,706 companies from the five focus areas. In Portugal, the approximate market share of Bank X is equal to 15% in terms of assets. Assuming this market share, the SOM of *LEAP* stands for 1,756 companies over a full year of operations. Last, assuming that *LEAP* will be launch in September 2019, four months of running the business represents **a network of 585 companies**.

The assumptions to find the Service Obtainable Market are summarized in Table 37.

Table 37: Estimation of Leap's TAM, SAM & SOM for the year 2019.

Assumptions	Share	Total
TAM: Total companies created in Lisbon in 2018	100%	15,444
SAM: % of companies from the focus industries	75.80%	11,706
SOM: Estimated market share of Bank X (over 4 months)	15%	1,756/3= 585

Source: team own analysis (Data from Barometro Informa 2018)

4.3.2 Financials

The business viability of *LEAP* will depend on the management team's ability to overcome the costs incurred during the sixteen months following its implementation. In order to establish the profitability and sustainability of *LEAP* as a business, the team has developed a sensitivity analysis, forecasting a set of different average subscription prices as well as different rates of market penetration to overcome the total costs at the end of the year 2020. The team decided to choose 2020 as the year to perform the analysis as it is the first full year after *LEAP*'s implementation. In line with what has been said in the market entry section, the team also believes that the year 2020 will see *LEAP*'s progress in converting entrepreneurs who are held

by uncertainty and the fear of business failure, which therefore change the assumptions of the SOM.

According to the Amway Global Entrepreneurship report (2016), Portugal has an entrepreneurship intention rate of 13.2%, the highest in Europe. In other words, out of six million people, part of the Portuguese working population (from 18 to 65 years old), 780,000 intend to start a business within the next 3 years, accounting for the TAM. Furthermore, the report (2016) shows that only 2.2% of the 780,000 people with entrepreneur intention actually start their business (132,600). The SAM can be found by subtracting the businesses started from the entrepreneurs with intention, being equal to 647,400 entrepreneurs left behind. To establish the SOM, the team assumes a conversion rate of 1%, which is the average conversion rate of ecommerce platform in Europe (HubSpot, 2018). Based on actual data computed by Barometro Informa (2018), the city of Lisbon represents 34% of the companies created last year. By Applying this rate to the 1% conversion, the SOM for 2020 represents a **network of 2201 companies**.

Table 38 below shows the assumptions to find the SOM in 2020.

Table 38: Estimation of Leap's TAM, SAM & SOM for the year 2020.

Assumptions	Share	Total
TAM: Working population with entrepreneur intention	100%	780,000
SAM: Entrepreneurs who fear business failure	83%	647,400
SOM: Estimated conversion rate of LEAP	0.34%	2201

For the year 2020, the team estimated a total operational cost of €355,678. This amount includes a yearly payroll of €315,678 and a marketing budget of €40,000. The yearly payroll assumed that *LEAP* will start employing ten full-time mentors as of January 2020 in order to meet the growing customer demand and would keep doing so for the rest of the year.

In order to establish the breakeven point between the price offered and the market share, the team decide to make use of a what-if analysis. As its name implies, a what-if analysis is the process of changing the values in cells to see how those changes will affect the outcome of formulas on the worksheet.

The price that *LEAP* will charge its customer is weighted by the team's customer discovery. In fact, it has been found that 70% of the respondents who would move forward with the support network to launch their business, would prefer to do so by opening a *LEAP* account, therefore paying a lower fee (at €12.00/month). As a result, the weighted average price per month is equal to €12.90. Under the team's own analysis, a customer lifetime value of 5 months is assumed, leading to an average price of €64.50 per customer.

LEAP would need a market penetration or conversion rate of 0.85% (5514 companies) to breakeven. The rest of the analysis represents the different outcomes when comparing the average prices and the market shares and can be found in the Table 39.

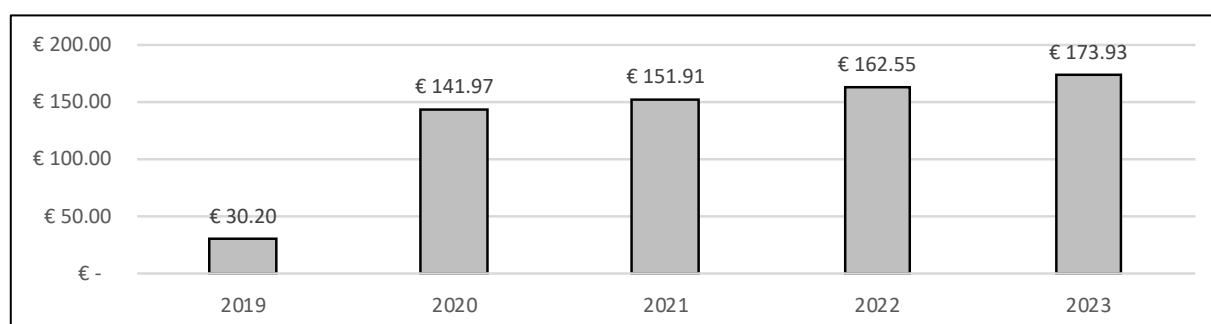
Table 39: *LEAP* sensitivity analysis for the year 2020

Price (€) \ Market Penetration	0.34% (+0%) - 2201	0.43% (25%) - 2751	0.51% (+50%) 3302	0.60% (+75%) 3852	0.68% (+100%) 4402	0.85% (+151%) 5514
12.90 (+0%)	-€213,703.18	-€178,209.48	-€142,715.77	-€107,222.07	-€71,728.36	0€
16.13 (+25%)	-€178,209.48	-€133,842.34	-€89,475.21	-€45,108.08	-€740.95	€88,919.50
19.35 (+50%)	-€142,715.77	-€89,475.21	-€36,234.66	€17,005.90	€70,246.46	€177,839.00
22.58 (+75%)	-€107,222.07	-€45,108.08	€17,005.90	€79,119.89	€141,233.87	€266,758.50
25.80 (+100%)	-€71,728.36	-€740.95	€70,246.46	€141,233.87	€212,221.28	€355,678.00
32.38 (+151%)	0€	€88,919.50	€177,839.00	€266,758.50	€355,678.00	€535,373.24

Source: team own analysis

Additionally, the team performed a sales revenue forecast over the first 5 years of implementations, assuming fixed prices and a growing conversion rate at a pace of 10% increase a year as of 2020 (starting at 0.34%). 2019, being computed with the SOM calculated in the market entry section.

Figure 9: Expected Revenues of LEAP from 2019 to 2023 (thousands of euros)



4.3.3 Key Performance Indicators (KPIs)

In this part of the report, the team forecasts the major KPIs that will be vital to ensure the success of *LEAP*. Chronologically speaking, the first KPIs to look at for a new business are related to the performance in terms of customer acquisition (Marr, 2017).

As the website will represent the main funnel for acquiring the customers in the first year of implementation, there are key metrics that need to be optimized in order to guarantee the website performance.

Table 40: *LEAP* website KPIs and their impact on the firm

Website KPIs	Description of the impact on LEAP
Click-Through-Rate (CTC)	As Google Ads is the recommended main channel for advertisement, the CTC will define the ratio of users who click on a specific LEAP ad in the Google Search.
Bounce Rate	As already explained in the Back-End of Innovation, the bounce rate will help determine if the LEAP website is relevant enough for the entrepreneurs looking for help online.
Search Engine Optimization (SEO) and Average Position	Optimizing the search relevance of LEAP will ensure that the website gets highly ranked in the search appearances. As the website will get a significant traffic share from its Search Engine Mechanism (SEM) advertisement, it is important to remember that SEO impacts SEM but not the other way around (Smarrelli, 2016).
Goals and Events Completions	Goal completions serve as the conversion rate of a website. The ultimate goal of LEAP's website is determined by the number of users willing to subscribe to get access to the services on a monthly basis. Alternatively, there are some secondary goals that could be monitored on the website such as signing up to LEAP's newsletter or requiring a free consultation

Source: team own analysis, Smarelli (2016)

Moreover, the team determined other KPIs related to the business side of *LEAP*.

Table 41: *LEAP* business KPIs and their impact on the firm

Business KPIs	Description of the impact on LEAP
Customer Acquisition Cost (CAC)	The CAC, as its name implies, is the cost of convincing a potential customer to buy a product or service (Patel, 2016). This cost can actually be used as a metric by the management team to monitor the relationship between LEAP and its clients. On the marketing side, this is also a very important metric to optimize the return on the advertising investments.
Lifetime Value of the Customer (LTV)	The LTV is a value a customer will contribute to LEAP over the entire lifetime of the company. The rule of thumb for this metric is that LTV should be higher than CAC. In order terms, an entrepreneur willing to work with LEAP should bring more value to the firm than what has actually been paid to acquire him.
Retention Rate	This ratio will estimate if users of the LEAP services will be satisfied enough to renew their subscription every month. Since LEAP works on a subscription model, the retention rate is a key metric because a high rate would demonstrate that LEAP is engaging and is adding a real value to its customers.
Revenue Growth Rate	The revenue growth rate will refer to the percentage at which LEAP's income will be increasing over the years. By calculating the revenue growth rate regularly, the management team will be able to assess whether growth is increasing, decreasing, or constant and use the findings to make necessary changes in order to reach profitability.
Relative Market Share	The team considers that the market share will be one of the most crucial performance indicators for LEAP. The relative market share will show how much is LEAP contributing to the entrepreneurial ecosystem. It will also show how LEAP will perform relative to its competitors for that particular segment.
Client Retention Rate for Bank X	As a final note, the team recommends Bank X to use this rate in order to monitor how many customers of LEAP end up becoming clients of the bank and remain so after they stop using LEAP's services. In this way, the bank ensures that LEAP is working with a common interest in the long run.

Source: team own analysis, Patel (2016)

4.4 Further Recommendations

This part of the report will be used to suggest additional actions that can be explored by Bank X and *LEAP* management team. The scope of the project was to work on the customer side (downstream) in order to develop a solution that would fit the market segment. For this reason, some validations on the upstream side must be further assessed and answered before taking some of the actions explored in the recommended action plan.

Employing Mentors. The success of *LEAP* will highly depend on the selection of the mentors. From its exploratory research with the bank executives, the team understood that: “There are 8000 bank branches in Portugal, and the customers only need 1000 at a national scale. The bank, that currently has 600 branches across the country, is considering closing 100 of them” (Mr. M, 2018). Therefore, the team sees a significant opportunity to recruit the mentors from the branches that will be closed by Bank X in the coming years. On the other hand, in the long

term, there is also the possibility to re-design branches and transform them into co-working spaces, making Bank X independent from the affiliate network and taking advantage of the existing assets.

Partnership with the industry experts. Evaluate if the partners would be willing to work with commission-based royalties to be paid to LEAP. This could significantly increase the revenues of the company as well as determine which industry is the most profitable.

Affiliate program with the co-working spaces. Evaluate if agreements could be made in the affiliate program with the co-working spaces (Discount, free bookings, co-organizing workshops, joint support services...) The team believes that there is a potential to establish a long-lasting relationship with the workplaces. Co-working is rising and changes the way the workforce is using office space all over the globe (Deloitte B, 2018). Co-working spaces and Bank X share the same need to be flexible and optimized at the same time. The team sees a win-win situation for both parts if *LEAP* manages to bring ideas from a joint partnership on the table.

5. Limitations

In the following table (table 39), the team highlights the main factors that could have an impact on the quality of the findings of the work project.

Table 42: Limitations

Sample	It is to note that some of the experiments were conducted with small samples. In fact, the team found as one of the main challenges of the project, to identify, in their own network, people that fit the customer segment. Given this, some experiments were conducted with foreigners and individuals who were not exactly <i>Geeks</i> , which may have biased some of the outcomes.
Time and Monetary Resources	To conduct some of the experiments, the limitations on time and monetary resources may have as well impacted the results. Firstly, because the team could only “recruit” interviewees on a short notice, and since entrepreneurs are usually busy, they sometimes could not find availability to participate in the experiments. Secondly, the limitation of monetary resources impacted the validation of hypotheses. This applies especially to the customer acquisition channels, where it was important to have a realistic budget for Google Ads in order to have relevant results.
Pre-Validations	Given the limitations above mentioned, some blocks of the BMC, namely channels and revenue streams, were merely pre-validated. For this reason, the adoption of the recommendations regarding these channels should require further research and testing.

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Appendix II

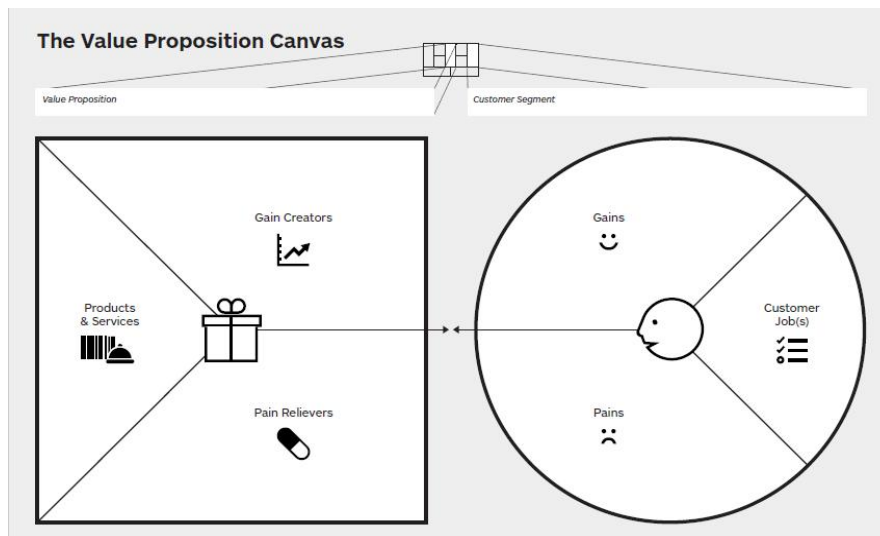
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Appendices

Appendix 1: Value Proposition Canvas



Source: Osterwalder, et al (2014)

Appendix 2: Context & Trends Factors

Political & Legal

Factor # 1. Start-up Voucher: The Start-up Portugal + program consist of 25 initiatives made by the government focused on three phases: supporting the national ecosystem, attracting more investment and the expansion of the start-ups to the international market (Start-up Portugal,n.d.). From all of the 25 projects, the one that has gathered more interest from the entrepreneurs is the Start-up Voucher, that had 200 requests of information to IAPMEI in only 5 days after being announced (IAPMEI a ,2018). The main opportunity that this brings is the fact that for the first time, the government is also launching a support program for those that only have an idea. The voucher gives budding entrepreneurs monthly funding, mentoring and technical support in their first year (IAPMEI b ,2018). Even more, Start-up Portugal offers a Momentum program – giving graduates the set of tools to help them develop their business ideas – monthly funding, free housing and incubation are part of the one-year support program (Start-up Portugal, n.d.).

With these initiatives, it is predicted that people will launch better their businesses and have less fears when thinking of launching their companies.

Factor # 2. PSD2 Regulation: From January 2018, the Financial Services will have to adapt and respond to the emerge of a new regulation to the industry-The Payment Services Directive (PSD2). In general, the directive is announcing that from now on, the banks must provide Application Programming Interfaces (APIs) to third-party providers (TPP) to have access to the bank's customers data (Evry, n.d.). This directive is separated into two areas - Account Initiation Service Provider (AISP) and Payment Initiation Service Provider (PISP). With the PISP, any TPP will be able to use the bank's APIs in order to function as a direct intermediary of payments between the customer and the retailer, thus leaving the bank out (PSD2 whitepaper, n.d.). With the AISP, the TPPs will be able to access the customers data and build tailored products to them, with a higher degree of innovation compared to the banks previous offer (PSD2 whitepaper, n.d.). Portugal has yet to adapt to these changes (Autoridade da Concorrência,2018), and the consequences highly depend on how the banks decide to react to this new directive (PSD2 whitepaper). According to Mr. F, the Bank X receives a lot of money from being a payment service provider, so more competition on this area could turn out to be a significant threat for their revenue stream. Furthermore, according to the interview made to Mr. F, the Bank X is not building any tailored product based on the data they have on their individual and organizational clients.

Factor #3 Bureaucracies when launching a business as Sole Proprietorship in Portugal:

There are four main advantages of opening a business as Sole Proprietorship, “Empresa em Nome Individual” (ENI): the control of the business, the simplicity to create and terminate the company, the lower tax costs and the fact that there is no minimum capital requirement to start the business (RTP,2018). On the other hand, there are two main issues related to this regime: the non-separation between the individual and business wealth, and the fact that the new

company must be launched without a co-founder, so there is more risk and work for the individual (RTP, n.d.). Nowadays, banks are less willing to lend money to these individuals (RTP, n.d.), specially banks known for risk aversion, as is the case of Bank X. From the interview made to Mr. R, it was found that the Bank X would be much more willing to lend money to this type of new companies if they had any kind of partnership before launching.

Economical

Factor #4 Economic recovery characterized by a continuous GDP increase: After a severe hit during the financial crisis of 2008, the Portuguese economy managed to strengthen its recovery, growing 2.7% in 2017 versus 1.6% in 2016 (European Banking Federation, 2018). The country benefited from higher exports from goods and services as well as a higher contribution from domestic demand, which resulted in an acceleration in investment. The ECB (2018) expects a 2.3% increase in GDP this year.

Factor #5 Low Foreign Direct Investment (FDI): The Portuguese economy is however still growing at slow pace, like the rest of Europe. According to Euromonitor (2018), foreign investors -mostly from the US and Asia-Pacific- are doubtful about the government's ability to achieve budget targets and debt obligations (Soares, 2017). Consequently, the ECB decided to take severe monetary measures, forcing the banks to charge higher fees in order to compensate from the losses in direct investment. Nevertheless, there were upgrades to Portugal's credit rating throughout 2017, which had a positive impact on the country's government bond yields and market sentiment (Soares, 2017).

Social

Factor #6 Increase in consumers expenditures despite a slow growth of card payments Based on the latest United Nations estimates (2018), the current population of Portugal is 10,281,346. After the financial crisis, consumers expenditures increased by 9.3% (from 2013 to 2016) and the country saw its disposable income increasing by 5.2% in 2017 (Trading Economics, 2018).

Additionally, savings have decreased from 8% to 4.1% in the savings ratio (from 2013 to 2016). The low savings ratio is lower than the European average, which can be explained by the low level of income and education in Portugal. Regarding expenditure habits, after the financial crisis, consumer expenditures increased by 9.3% from 2013 to 2016, which also happened with disposable income that grew at a rate of 5% in the same period. Portuguese consumers have a lower acceptance rate to online and digital habits than the European average. However, improvements have been made with an increase in online shopping and digital payments habits, due to a better access to the internet (Euromonitor International 2017). The preferred payment method in Portugal is still cash, with a slowly growing trend in card, but still a strong presence of ATMs and withdrawal desks across the country.

Factor #7 Portugal's Entrepreneur-led Economic Turnaround: The country currently has one of the most vibrant startup ecosystems in Europe, being the perfect place to create, test, fail and try again (Egusa, 2017). The country has put in place different benefits to entice entrepreneurs from all over the world. Most notably at the 2016 Web Summit, where the government unveiled a €200 million fund to co-invest alongside VCs in startups and foreign companies that relocate to Portugal. Over the next three years, Portugal will also allocate €10 million-worth of vouchers for incubation and businesses. The Portuguese government announced a 'startup visa' at the start of this year, urging foreign entrepreneurs to come and set up shop with the promise of a resident visa (Egusa, 2017).

Factor #8: Change in workforce: increase of freelancers. According to the report Global Human Capital Trends (Deloitte, 2018), one of the most significant changes predicted for the workforce in the foreseeable future, is the increase in the proportion of freelancers and gig workers. This can be associated to different factors, being the main ones a "changing attitude towards work" combined with new technologies and infrastructures that can better accommodate this type of workers. On the other hand, hiring freelancers also represents a lower

cost for companies, versus hiring full time employees (Muhammed, Abdullahi. 2018). Even though this trend has shown more evidence in north America and northern Europe, it is likely to reach Portugal and force the country to adapt to this new culture (Mateus, Cátia. 2017). Growing the demand for freelancers, the magnitude of the challenges faced by this segment is expected to grow as well.

Technological

Factor #9 The rise of Fintechs is disrupting the banking sector: Technology has driven us to where we are. As an industry with a heavy focus on technology, it is obvious that changes will happen rapidly and frequently in the retail banking sector. With the Fintech revolution being the newest disruptor of choice, the banking industry and its consumers will need to hold on for the ride. It will take some time for this technology to gain enough speed to become widely accepted. However, it is definitely on the horizon. Only time will tell what we can expect when we visit our local bank for this is only the beginning.

Currently, we rely on an outdated financial system that depends on paper and outdated software. It is expensive and completely open to fraud and crime. Blockchain disrupts the current bank system by being a real-time updating digital ledger that cannot be changed. This takes paper and fraud out of the equation.

Wire and transfer fees will be decreased by using bitcoin, clearing and settlement can happen instantly, loans and credit applications can be assessed on the spot and consumers will have instant access to the funds they need and the answers they require.

Factor #10 Open Banking and the Use of APIs in the financial landscape: Customers today expect to be able to sign up for new banking services online. In 2018, a failure to provide true digital origination will start to move from a disappointment to an existential threat. Digital banking will continue to shrink the number of global bank branches. The challenge for banks is to quickly get to their right mix of branches and digital offerings to be when and where

customers want to bank. Open Banking is just around the corner for European countries, with banks having to open up their data through APIs by January 13 2018 (European Competition & Market Authority, 2018).

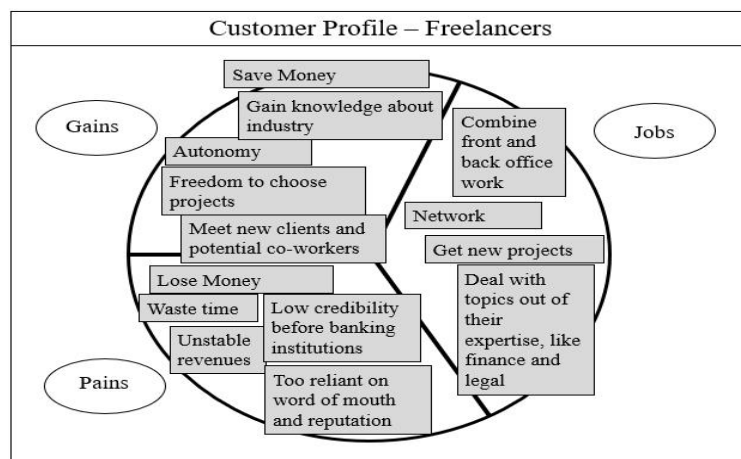
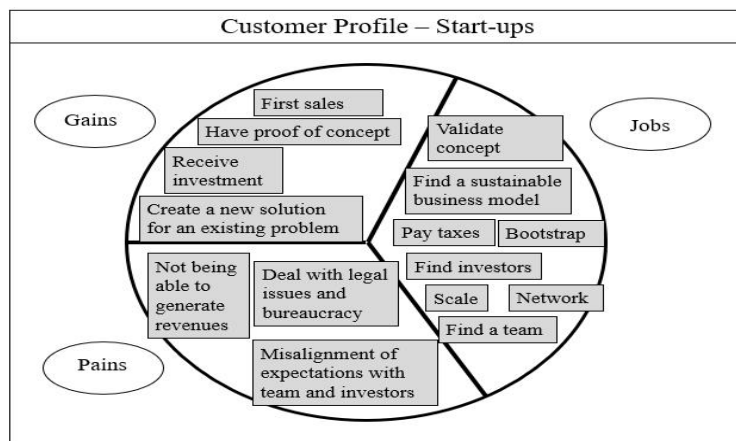
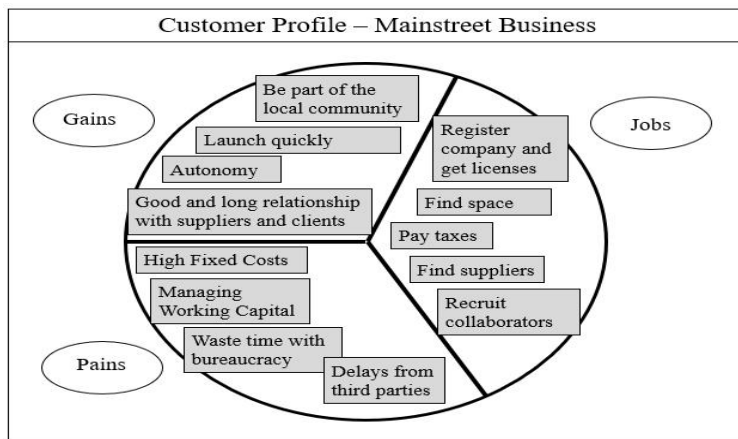
Here, SIBS, the country main fintech innovator, is already working together with the main banks to create an open API standard (Alves, 2018).

Environmental

Factor #11 Sustainability and Ecological Footprint The last 20 years have known tremendous changes in the regulations related to environmental protection and the conservation of our ecosystem. As part of a business' Corporate Social Responsibility (CSR) sustainability and environmental friendliness have become important factors to take into account in the banking industry. In the recent years, most of the traditional retail banks have decided to measure and monitor their environmental footprint and came up with energy efficiency and saving plans as well as strategies to reduce their CO2 emissions. As a result, banks can be aware of the impact they have on the environment and minimize this impact to become a more environmentally-friendly institution.

With the use of technology — particularly with mobile banking apps — the use for paper is being reduced consistently. In addition, the need to drive directly to a branch to handle affairs is minimized as well. Many issues are taken care of through mobile apps and online banking services. Consumers can apply for credit cards online, buy cheques online, and have many of their banking questions answered online or over the phone. Thus, reducing individual environmental footprints.

Appendix 3: Customer profiles developed in the initial exploratory research















Source: insights from interviews

Appendix 4: Honcho offer to new business

Start your business now.

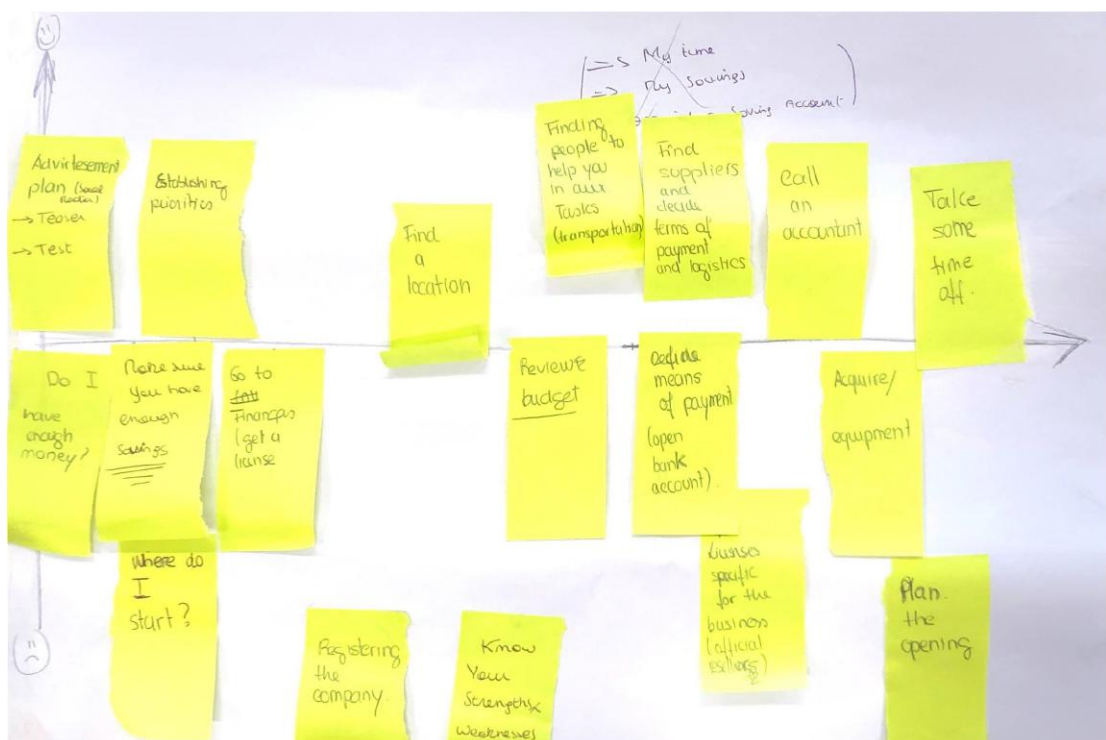
There's plenty to take care of when you start a business, so we've put the essentials into one place. Start making money with Honcho Essentials for just \$39 a month*.

 Business bank account	 Unlimited invoicing	 Unlimited quotes	 Online payments
 Website address	 Business web page	 Online store	 Email address
 Business address	 Landline number	 Logo design	 ABN + GST registration

Source: Honcho website

Appendix 5: Sprint Week

A. Customer journey line



B. Existing solutions

BOSSUP

FIRST STEP

HOW IT WORKS

BOSS-UP

TESTIMONIALS

LEARN MORE

HOW IT WORKS

INTRODUCE YOURSELF EASILY

Virtual Business Card

Know the people around you by having a virtual card with your background and your business project, by focusing on the idea, not identity through an anonymous profile.

DETECT PEOPLE QUICKLY

Virtual Map

Go to the interactive map and see where you can find people of interest.

INTERACT WITH OTHERS EFFICIENTLY


Virtual Meeting Spaces

Have a virtual space to exchange knowledge with people of interest.

BOOST KNOWLEDGE CONVENIENTLY

Event List

Know about events that can help achieve your business goals.



-
-
-
-
-


BOSSUP

FIRST STEP

HOW IT WORKS

BOSS-UP

BOSS - UP

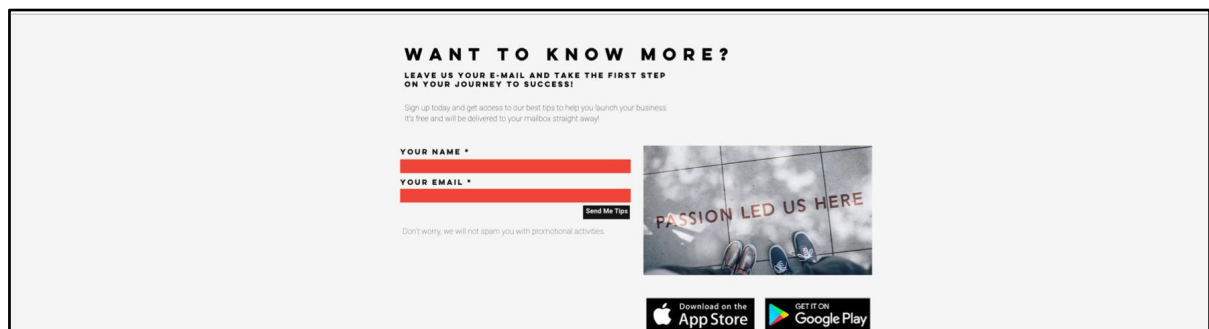
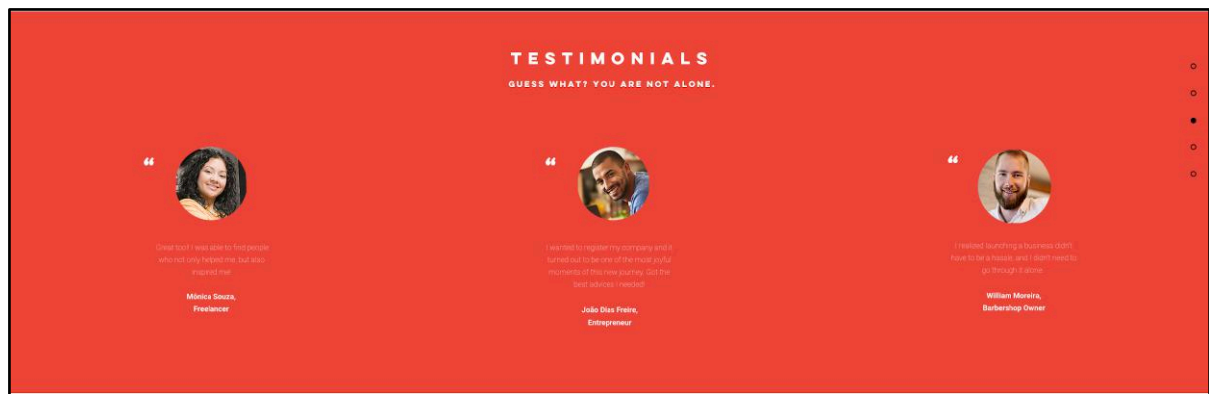


"THE MARKETPLACE FOR THOSE WHO WANT TO BE THEIR OWN BOSS"

START NOW

POWERED BY:

Bank X



Appendix 7: Sprint Interview Guide

Sprint Interview Guide	
<u>A friendly welcome</u>	<p>Tell me about yourself?</p> <p>What are your hobbies?</p>
<u>Understanding Customer Profile</u>	<p>What is your current occupation?</p> <p>Do you have professional experience?</p> <p>Do you want to become your own boss?</p> <p>What don't you like about your current job?</p> <p>How did you come up with your business idea?</p> <p>How far developed is your idea?</p> <p>Have you looked for help in any stage?</p> <p>What type of help did you look for and from whom?</p>
<u>Mood board and LP Presentation</u>	<p>Quick debrief, thoughts and impressions.</p> <p>What do you think Boss Up is about? What problem is it trying to solve?</p>

	<p>What do you think are the main benefits?</p> <p>Do you think Boss Up is solving the problems identified?</p> <p>If you had three wishes, what would you add to Boss Up?</p> <p>On a scale from 1-10, how excited are you to use Boss Up?</p> <p>Do you wish to leave your e-mail address to follow up?</p>
--	---

Source: team own analysis

Appendix 8: Survey questions for cycle 2


<u>What is your age?</u>	Open Question
<u>What is your Gender?</u>	a) Male b) Female
<u>What is your Nationality?</u>	Open Question
<u>What is your area of expertise?</u>	a) None b) Primary sector c) Secondary sector d) Construction e) Health f) Education g) Banking / Insurance h) Transportation i) Turism j) Other
<u>What is your educational background?</u>	a) 9th Grade b) 12th grade c) Bachelor d) Masters e) PHD f) Other
<u>What is your current situation?</u>	Open Question
<u>How many years of professional experience do you have?</u>	a) None b) [1-3] c) [3-5] d) [5-10] e) >10

<u>What is your current professional status?</u>	Open Question					
<u>Do you have already your own business?</u>	a) Yes b) No					
<u>Are you planning on launching your own business?</u>	a) Yes b) No					
<u>How much time have you allocated to your own project?</u>	a) None b)]1 week-1 month] c)]1 month-3 months] d)]3 months-6 months] e) Other					
<u>How much money have you spent already in your project?</u>	a) 0 b)]0-500€[c) [500€-100€] d) >1000€ e) Other					
<u>Is your business related to your area of expertise?</u>	a) Yes b) No					
<u>Do you prefer to create a new company?</u>	a) Alone b) With another person					
<u>Your main financial concern when trying to open a new business is:</u>	a) Potential losses b) Potential gains					
<u>On a scale of 1-10, being 1 dispensable and 10 fundamental to launch your own business, how do you evaluate the importance of having:</u>	<table border="1"> <tr><td><u>1.Co-Founder</u></td></tr> <tr><td><u>2.Solid net of meaningful connections</u></td></tr> <tr><td><u>3.Knowledge of the industry</u></td></tr> <tr><td><u>4.Meaningful connections with suppliers</u></td></tr> <tr><td><u>5.Support with bureaucracy issues</u></td></tr> </table>	<u>1.Co-Founder</u>	<u>2.Solid net of meaningful connections</u>	<u>3.Knowledge of the industry</u>	<u>4.Meaningful connections with suppliers</u>	<u>5.Support with bureaucracy issues</u>
<u>1.Co-Founder</u>						
<u>2.Solid net of meaningful connections</u>						
<u>3.Knowledge of the industry</u>						
<u>4.Meaningful connections with suppliers</u>						
<u>5.Support with bureaucracy issues</u>						
<u>Which other(s) aspect(s) do you consider fundamental to launch your own business?</u>	Open Question					
<u>In case you need a co-founder, where would you look?</u>	a) Blogs b) Social Media c) Friends d) Linkedin e) Workshops f) Events & work fairs g) Incubators or coworking spaces					

<u>In case you need to increase your net of partners, where would you look?</u>	a) Blogs b) Social Media c) Friends d) LinkedIn e) Workshops f) Events & work fairs g) Incubators or coworking spaces
<u>In case you need to need a supplier where would you look?</u>	a) Blogs b) Social Media c) Friends d) LinkedIn e) Workshops f) Events & work fairs g) Incubators or coworking spaces
<u>In case you need to increase your knowledge about the business, where would you look?</u>	a) Blogs b) Social Media c) Friends d) LinkedIn e) Workshops f) Events & work fairs g) Incubators or coworking spaces

Source: team own analysis



Appendix 9: Concept Board of *Boss Up*



Is **uncertainty** holding you back?

Join an online community of entrepreneurs who will help you kickstart your business

- ✓ Talk to other entrepreneurs who will give you real time feedback and advices.
- ✓ Learn how to improve parts of your business by attending tailored webinars
- ✓ Improve your knowledge in different business areas through online courses

Source: team own analysis

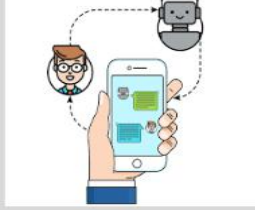
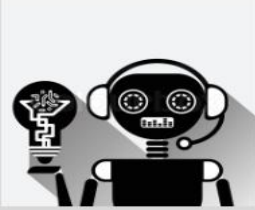
Appendix 10: Concept Board of ASKRUI

ASKRUI

Is **uncertainty** holding you back?

Meet your virtual coach and receive guidance through the steps of launching your business

- ✓ Reach your objectives through an assessment on your status quo and a corresponding action plan.
- ✓ Overcome obstacles in your business journey by getting personalized training sessions (business model, personal life, methodology, ...).
- ✓ Continuously track your progress and get the details you need to improve your performance



Source: team own analysis

Appendix 11: Concept Board of BIZDATA

BIZDATA

Is **uncertainty** holding you back?

Unveil market insights and better position your business

- ✓ Get relevant information from a reliable Market Data Intelligence tool:
 - Consumption patterns;
 - Competition behaviour;
 - Implementation costs;
 - And more...



Source: team own analysis

Appendix 12: Concept Board of LEAP


LEAP


BANK X

Is **uncertainty** holding you back?

Get access to a network of bank experts that can help you launch your business

- ✓ Receive feedback and advice on kick starting your own business by talking to experienced mentors from various areas in real time and convenient locations.
- ✓ Improve parts of your business through attending relevant workshops and networking events around you.





Source: team own analysis

Appendix 13: Concept Board of LEAP & MAGMA

MAGMA

MARKET DATA INTELLIGENCE
TO KICKSTART YOUR OWN BUSINESS

MAGMA is a market intelligence platform providing people with market insights in order to help them make better decisions while starting their own business

Quick, easy and simple access to:

- ✓ Internal insights:
 - Prediction of average implementation costs
 - Prediction of average monthly operational costs
- ✓ External insights:
 - Industry: nature of competition, visualize number of competitors and their average revenue per sale
 - Market: growth and evolution





LEAP

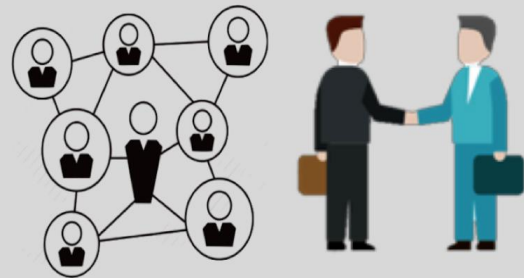
Bank X

SUPPORT NETWORK TO KICKSTART YOUR OWN BUSINESS

LEAP is a support network of experts for entrepreneurs aiming to increase the odds and mitigate the risks of launching their own business

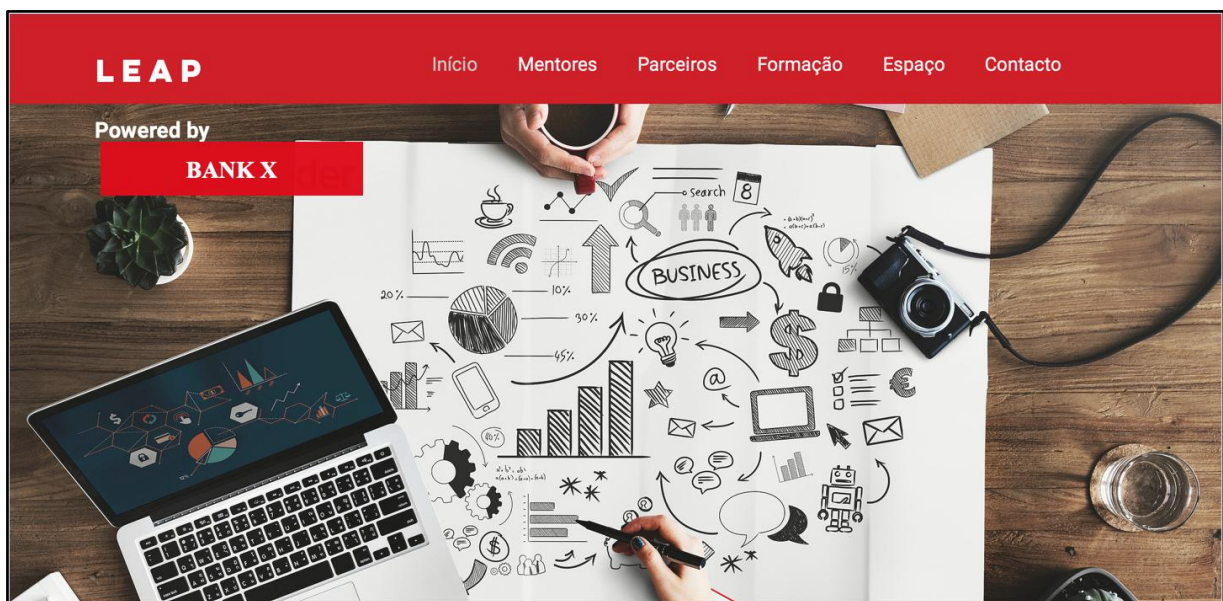
Find a branch near you and get:

- ✓ Coaching and endorsement from entrepreneurship experts
- ✓ Access to mentors and advisors from various fields and industries
- ✓ Affiliate network of coworking spaces
- ✓ Specific trainings in partnership with the best universities in the country



Source: team own analysis

Appendix 14: First version of LEAP



APOIAMOS A CRIAÇÃO DO SEU NEGÓCIO

LEAP é uma rede de apoio à criação de novos negócios, com o apoio do Banco X. LEAP estará próximo de si para o ajudar em todos os passos do lançamento da sua empresa. Através desta rede, pode aceder a mentores, parceiros, formações e espaços de trabalho, de uma forma rápida, integrada e personalizada.

**Não só lançamos projetos,
lançamos pessoas!**

MENTORES

Encontre-se com mentores e especialistas de diversas áreas, prontos a ajudá-lo com o seu negócio.

Saiba Mais

PARCEIROS

Aceda à rede de parceiros do banco. Encontre potenciais clientes e estabeleça parcerias.

Saiba Mais

FORMAÇÃO

Participe em workshops nas melhores universidades do país.

Saiba Mais

ESPAÇO

Explore uma rede de espaços de trabalho e networking.

Saiba Mais

MENTORES

Encontre-se com mentores e especialistas de diversas áreas, prontos a ajudá-lo com o seu negócio. Evitando perder tempo e oportunidades.

1. Aconselhamento

Ver Mais

Fale com alguém que lhe dará recomendações, com base num conhecimento prévio do seu projeto.

Com Leap, deixará de se sentir sozinho no lançamento do seu projeto. Ser-lhe-á indicado um mentor que possa estar consigo em todos os momentos do lançamento da empresa. Com os nossos mentores, terá alguém que se identifique com a sua empresa e possa indicar-lhe o que precisa para dar o próximo passo.

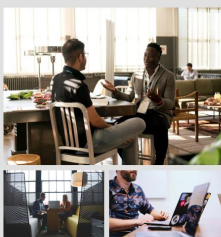
2. Orientação

Ver Mais

Identifique os passos que precisa de tomar para lançar a sua empresa.

Sabia que 70 % dos negócios falham por falta de planeamento dos empreendedores?

Trabalharemos juntos no planeamento da sua empresa de modo a que possa torná-la realidade da forma mais simples e eficiente.



Marque uma reunião

Saiba onde se dirigir

3. Análise de Progresso

[Ver Mais](#)

Receba feedback contínuo acerca do seu negócio, e monitorize os seus resultados. O feedback dá-lhe a sensação de apoio e progresso, fundamental para manter a motivação no seu projeto.

4. Ajuda

[Ver Mais](#)

Receba indicação de pessoas que o podem ajudar com questões específicas. Ninguém é perfeito. Dê-nos a oportunidade de lhe dar acesso à maior rede de especialistas em diversos ramos empresariais em Portugal.

PARCEIROS

Aceda à rede de empresas parceiras do banco.

1. Indicações

[Ver Mais](#)

Seja indicado aos nossos parceiros de todo o país. Ninguém é perfeito. Dê-nos a oportunidade de lhe dar acesso à maior rede de especialistas em diversos ramos empresariais em Portugal.

2. Profissionais

[Ver Mais](#)

Ultrapasse dificuldades específicas ao se consultar com profissionais recomendados. Sente que não consegue ultrapassar uma certa barreira no seu negócio? Precisa de ajuda? Nós temos a oferta exatidão para si. Não se esqueça de nos procurar? Fazendo parte do Leap, participe de uma comunidade de profissionais dispostos a trabalhar consigo.



[Continue a rede de parceiros](#)

3. Clientes

[Ver Mais](#)

Crie potenciais parcerias de negócio e encontre novos clientes. Trabalhamos com mais de cem mil empresas. Uma delas pode ser o parceiro que sempre procurou, ou aquele cliente que precisava para se poder lançar no mercado.

FORMAÇÃO

Participe em workshops nas melhores universidades do país. Adquirindo conhecimentos em áreas cruciais para o seu negócio.

[Descubra workshops perto de si](#)

ESPAÇO

Explore uma rede de espaços de co-working por todo país, em localizações próximas de si.

1. Espaço de trabalho

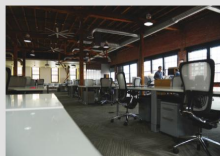
[Ver Mais](#)

Aceda a espaços onde poderá trabalhar individualmente ou com a sua equipa. Sempre quis ter um espaço que lhe garantisse privacidade para discutir o seu negócio? Com o Leap, desfrutará de espaços com todas as condições para dar asas às suas ideias.

2. Salas de reunião

[Ver Mais](#)

Marque salas para reunir com os seus parceiros de negócio. Deixe de correr atrás das pessoas que precisa. Nós vamos ter consigo para lhe dar os conselhos que precisa, com a maior conveniência.



[Encontre um espaço perto de si](#)

3. Network

Ver Mais

Crie ligações com outros empreendedores na mesma fase. Explore um de muitos espaços de co-working espalhados pelo país e faça parte de uma comunidade de profissionais que partilhem os mesmos ideais de inovação

INTERESSADO NOS NOSSOS SERVIÇOS?

Ainda estamos em fase de desenvolvimento, para que a nossa oferta vá de encontro aos futuros parceiros. Entretanto, deixe o seu e-mail e seja notificado aquando do início do programa.

Se tiver sugestões ou questões, deixe-nos uma mensagem!

Quero ser um dos pioneiros!

Appendix 15: Final version of *LEAP*

LEAP

Powered by

BANK X

Início Mentores Parceiros Workshops Espaço Contacto

APOIAMOS A CRIAÇÃO DO SEU NEGÓCIO

LEAP é uma rede de apoio à criação de novos negócios, com o apoio do **Bank X**. LEAP estará próximo de si para o ajudar em todos os passos do lançamento da sua empresa. Através desta rede, pode aceder a mentores, parceiros, formações e espaços de trabalho, de uma forma rápida, integrada e personalizada.

Não só lançamos projetos, lançamos pessoas!

O QUE OFERECEMOS?

MENTORES

Encontre-se com mentores de diversas áreas, prontos a ajudá-lo com o seu negócio.

Saiba Mais

PARCEIROS

Acenda à rede de parceiros do banco. Encontre potenciais clientes e estabeleça parcerias.

Saiba Mais

WORKSHOPS

Participe em workshops nas melhores universidades do país.

Saiba Mais

ESPAÇO

Explore uma rede de espaços de trabalho e networking.

Saiba Mais

LEAP

MENTORES

O QUE OFERECEMOS?

Encontre-se com mentores e especialistas de diversas áreas, prontos a ajudá-lo com o seu negócio. Evitando perder tempo e oportunidades.

MENTORES

Encontre-se com mentores de diversas áreas, prontos a ajudá-lo com o seu negócio.

Saiba Mais

- **Aconselhamento** personalizado baseado num conhecimento prévio do seu negócio
- **Orientação** sobre os próximos passos a tomar em direção ao sucesso
- **Análise de Progresso** e feedback regular para monitorizar os seus resultados.

Marque uma reunião, sem compromisso, e tenha acesso a um mentor perto de si, sempre que precisar.

Saiba Mais



Ana, Empreendedora
A Ana ajudou a criar empresas no setor de turismo, na área de Lisboa, nos últimos 15 anos. Procura continuar a lançar projetos, apoiando o empreendedorismo por todo o país.

1/5

Marque uma reunião

Espaço

Contacto

×

LEAP

PARCEIROS

O QUE OFERECEMOS?

Acenda à rede de empresas parceiras do banco.

MENTORES

Encontre-se com mentores de diversas áreas, prontos a ajudá-lo com o seu negócio.

Saiba Mais

- Seja **indicado** aos nossos parceiros de todo o país.
- Ultrapasse dificuldades específicas ao se conectar com **profissionais recomendados**.
- Crie potenciais parcerias de negócio e encontre **novos clientes**.

Inscreva-se hoje e tenha acesso a uma rede de parceiros disponível a ajudá-lo, quando e onde precisar.

Saiba Mais



Rodrigo, jurista
Após trabalhar como jurista numa grande empresa por 10 anos, Rodrigo tem dedicado a sua carreira a apoiar PMEs com questões jurídicas.

1/6

Conheça todos os parceiros

Espaço

Contacto

×

LEAP

WORKSHOPS

[Início](#)
[Sobre](#)
[Contacto](#)

Participe em workshops nas melhores universidades do país. Adquirindo conhecimentos em áreas cruciais para o seu negócio.

- Aprenda sobre assuntos específicos, novos projetos ou novas metodologias na sua área de atuação.
- Conheça **outros empreendedores** perto de si, com quem poderá partilhar questões, aumentando a sua confiança e motivação.
- Junte a sua **equipa** e desenvolvam as vossas capacidades em conjunto.

Encontre-se com mentores de diversas áreas, prontos a ajudar com o seu negócio.

Inscreva-se hoje e tenha acesso a workshops numa universidade perto de si.

Workshops



Vendas e negociação, UPorto 2018

2/8

LEAP

ESPAÇO

[Início](#)
[Sobre](#)
[Contacto](#)


Explore uma rede de espaços de co-working por todo país, em localizações próximas de si.

- Aceda a **espaços** onde **poderá trabalhar** individualmente ou com a sua equipa.
- Marque **salas para reunir** com os seus parceiros de negócio ou simplesmente com o seu mentor para uma das reuniões periódicas.
- Crie **ligações** com outros empreendedores na mesma fase.

Encontre-se com mentores de diversas áreas, prontos a ajudar com o seu negócio.

Inscreva-se hoje e tenha acesso a um espaço de trabalho perto de si, sempre que precisar.

Espaços na sua zona



Lisboa

1/5

INTERESSADO?

No Leap, acreditamos em dar-lhe acesso e fazê-lo tirar partido de um enorme conjunto pessoas que o ajudarão a alcançar os seus objetivos e a lançar o seu negócio com sucesso. Tudo o que precisamos é que dê o salto e se dedique a esta jornada. Estamos prontos para o receber!

Sim, quero experimentar!

×

INSCREVA-SE

Inscreva-se sem compromisso e será contactado em breve!

Pronto

Appendix 16: Scorecard Analysis for Market Entry

Key Metrics	Lisbon	Porto	Setúbal	Braga	Faro
Number of Companies Created	15444	8008	3229	3202	2430
Number of Companies Deregistered	5464	3439	1155	1412	722
Variation of Business Birth (2018 vs 2017)	13.40%	13.00%	19.50%	8.60%	8.00%
Variation of Business Death (2018 vs 2017)	17.60%	46.00%	20.60%	23.30%	16.60%
Bank X Market Presence (number of branches)	107	86	74	28	10
Relative Competition (incubators, bank programs/ new companies)	0.10%	0.14%	0.09%	0.19%	0.16%

Scorecard (1-5)	Lisbon	Porto	Setúbal	Braga	Faro
Number of Companies Created	5	4	3	2	1
Number of Companies Deregistered	5	4	2	3	1
Variation of Business Birth (2018 vs 2017)	4	3	5	2	1
Variation of Business Death (2018 vs 2017)	2	5	4	3	1
Bank X Market Presence (number of branches)	5	4	3	2	1
Relative Competition (incubators & bank programs/ new companies)	4	3	5	1	2
Total	25	23	22	13	7

Source: team own analysis

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